

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

## MANAGEMENT REPORT

### Management's Responsibility for Financial Reporting

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

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

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

On behalf of Mackenzie Financial Corporation,  
Manager of the Fund



Barry McInerney  
President and Chief Executive Officer



Terry Rountes  
Chief Financial Officer, Funds

June 7, 2018

## INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Mackenzie Global Sustainability and Impact Balanced Fund (the "Fund")

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

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



Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada  
June 7, 2018



MACKENZIE  
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# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

## STATEMENT OF FINANCIAL POSITION

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

	2018 \$		2018 \$
<b>ASSETS</b>		<b>Net assets attributable to securityholders per security (note 3)</b>	
<b>Current assets</b>		<b>Series A</b>	10.19
Investments at fair value	21,268	<b>Series AR</b>	10.20
Cash and cash equivalents	171	<b>Series D</b>	10.24
Accrued interest receivable	81	<b>Series F</b>	10.25
Dividends receivable	32	<b>Series F5</b>	15.01
Accounts receivable for investments sold	114	<b>Series F8</b>	14.78
Accounts receivable for securities issued	79	<b>Series FB</b>	10.25
Margin on futures contracts	130	<b>Series FB5</b>	15.00
Unrealized gains on derivative contracts	35	<b>Series O</b>	10.30
<b>Total assets</b>	<b>21,910</b>	<b>Series PW</b>	10.20
		<b>Series PWF</b>	10.26
<b>LIABILITIES</b>		<b>Series PWF5</b>	15.02
<b>Current liabilities</b>		<b>Series PWF8</b>	14.81
Accounts payable for investments purchased	298	<b>Series PWF8</b>	10.27
Accounts payable for securities redeemed	—	<b>Series PWF5</b>	15.02
Due to manager	3	<b>Series PWT5</b>	14.95
Unrealized losses on derivative contracts	129	<b>Series PWT8</b>	14.73
<b>Total liabilities</b>	<b>430</b>	<b>Series PWX</b>	10.30
<b>Net assets attributable to securityholders</b>	<b>21,480</b>	<b>Series PWX8</b>	14.85
<b>Net assets attributable to securityholders per series (note 3)</b>		<b>Series T5</b>	14.93
<b>Series A</b>	17,127	<b>Series T8</b>	14.70
<b>Series AR</b>	431		
<b>Series D</b>	2		
<b>Series F</b>	2,248		
<b>Series F5</b>	97		
<b>Series F8</b>	503		
<b>Series FB</b>	46		
<b>Series FB5</b>	1		
<b>Series O</b>	1		
<b>Series PW</b>	203		
<b>Series PWF</b>	723		
<b>Series PWF5</b>	1		
<b>Series PWF8</b>	1		
<b>Series PWF8</b>	1		
<b>Series PWF5</b>	1		
<b>Series PWT5</b>	1		
<b>Series PWT8</b>	1		
<b>Series PWX</b>	1		
<b>Series PWX8</b>	1		
<b>Series T5</b>	1		
<b>Series T8</b>	89		

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



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# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

## STATEMENT OF COMPREHENSIVE INCOME

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

	2018 \$		2018 \$
<b>Income</b>		<b>Increase (decrease) in net assets attributable to securityholders from operations per security</b>	
Dividends	82	Series A	0.22
Interest income	150	Series AR	0.06
Other changes in fair value of investments		Series D	0.21
Net realized gain (loss)	(42)	Series F	(0.09)
Net unrealized gain (loss)	462	Series F5	(0.36)
<b>Total income (loss)</b>	<b>652</b>	Series F8	(0.34)
<b>Expenses (note 6)</b>		Series FB	(0.18)
Management fees	193	Series FB5	0.37
Administration fees	25	Series O	0.30
Commissions and other portfolio transaction costs	17	Series PW	(0.21)
Independent Review Committee fees	–	Series PWF	0.04
<b>Expenses before amounts absorbed by Manager</b>	<b>235</b>	Series PWF5	0.40
Expenses absorbed by Manager	–	Series PWF8	0.40
<b>Net expenses</b>	<b>235</b>	Series PWFB	0.27
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>417</b>	Series PWFB5	0.40
Foreign withholding taxes	15	Series PWT5	0.32
Foreign income taxes paid (recovered)	–	Series PWT8	0.32
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>402</b>	Series PWX	0.30
<b>Increase (decrease) in net assets attributable to securityholders from operations per series</b>		Series PWX8	0.44
Series A	418	Series T5	0.30
Series AR	1	Series T8	(0.59)
Series D	–		
Series F	(7)		
Series F5	(1)		
Series F8	(6)		
Series FB	–		
Series FB5	–		
Series O	–		
Series PW	(3)		
Series PWF	2		
Series PWF5	–		
Series PWF8	–		
Series PWFB	–		
Series PWFB5	–		
Series PWT5	–		
Series PWT8	–		
Series PWX	–		
Series PWX8	–		
Series T5	–		
Series T8	(2)		

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Investments

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

## STATEMENT OF CHANGES IN FINANCIAL POSITION

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

	2018 Series A	2018 Series AR	2018 Series D	2018 Series F	2018 Series F5
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Beginning of period	–	–	–	–	–
Increase (decrease) in net assets from operations	418	1	–	(7)	(1)
Distributions paid to securityholders:					
Investment income	–	–	–	–	–
Capital gains	–	–	–	–	–
Return of capital	–	–	–	–	(1)
Total distributions paid to securityholders	–	–	–	–	(1)
Security transactions:					
Proceeds from securities issued	22,807	430	2	2,591	99
Reinvested distributions	–	–	–	–	–
Value of securities redeemed	(6,098)	–	–	(336)	–
Total security transactions	16,709	430	2	2,255	99
<b>Total increase (decrease) in net assets</b>	<b>17,127</b>	<b>431</b>	<b>2</b>	<b>2,248</b>	<b>97</b>
<b>End of period</b>	<b>17,127</b>	<b>431</b>	<b>2</b>	<b>2,248</b>	<b>97</b>
<b>Increase (decrease) in fund securities (note 7):</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>
<b>Securities outstanding – beginning of period</b>	–	–	–	–	–
Issued	2,273	42	–	252	6
Reinvested distributions	–	–	–	–	–
Redeemed	(593)	–	–	(33)	–
<b>Securities outstanding – end of period</b>	<b>1,680</b>	<b>42</b>	<b>–</b>	<b>219</b>	<b>6</b>
	<b>Series F8</b>	<b>Series FB</b>	<b>Series FB5</b>	<b>Series O</b>	<b>Series PW</b>
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Beginning of period	–	–	–	–	–
Increase (decrease) in net assets from operations	(6)	–	–	–	(3)
Distributions paid to securityholders:					
Investment income	–	–	–	–	–
Capital gains	–	–	–	–	–
Return of capital	(9)	–	–	–	–
Total distributions paid to securityholders	(9)	–	–	–	–
Security transactions:					
Proceeds from securities issued	513	46	1	1	266
Reinvested distributions	6	–	–	–	–
Value of securities redeemed	(1)	–	–	–	(60)
Total security transactions	518	46	1	1	206
<b>Total increase (decrease) in net assets</b>	<b>503</b>	<b>46</b>	<b>1</b>	<b>1</b>	<b>203</b>
<b>End of period</b>	<b>503</b>	<b>46</b>	<b>1</b>	<b>1</b>	<b>203</b>
<b>Increase (decrease) in fund securities (note 7):</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>
<b>Securities outstanding – beginning of period</b>	–	–	–	–	–
Issued	34	4	–	–	26
Reinvested distributions	–	–	–	–	–
Redeemed	–	–	–	–	(6)
<b>Securities outstanding – end of period</b>	<b>34</b>	<b>4</b>	<b>–</b>	<b>–</b>	<b>20</b>

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

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

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

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

	2018 Series PWF	2018 Series PWF5	2018 Series PWF8	2018 Series PWF8
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Beginning of period	-	-	-	-
Increase (decrease) in net assets from operations	2	-	-	-
Distributions paid to securityholders:				
Investment income	-	-	-	-
Capital gains	-	-	-	-
Return of capital	-	-	-	-
Total distributions paid to securityholders	-	-	-	-
Security transactions:				
Proceeds from securities issued	798	1	1	1
Reinvested distributions	-	-	-	-
Value of securities redeemed	(77)	-	-	-
Total security transactions	721	1	1	1
<b>Total increase (decrease) in net assets</b>	<b>723</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>End of period</b>	<b>723</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Increase (decrease) in fund securities (note 7):</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>
<b>Securities outstanding – beginning of period</b>	-	-	-	-
Issued	77	-	-	-
Reinvested distributions	-	-	-	-
Redeemed	(7)	-	-	-
<b>Securities outstanding – end of period</b>	<b>70</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Series PWF85</b>	<b>Series PWT5</b>	<b>Series PWT8</b>	<b>Series PWX</b>
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Beginning of period	-	-	-	-
Increase (decrease) in net assets from operations	-	-	-	-
Distributions paid to securityholders:				
Investment income	-	-	-	-
Capital gains	-	-	-	-
Return of capital	-	-	-	-
Total distributions paid to securityholders	-	-	-	-
Security transactions:				
Proceeds from securities issued	1	1	1	1
Reinvested distributions	-	-	-	-
Value of securities redeemed	-	-	-	-
Total security transactions	1	1	1	1
<b>Total increase (decrease) in net assets</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>End of period</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Increase (decrease) in fund securities (note 7):</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>
<b>Securities outstanding – beginning of period</b>	-	-	-	-
Issued	-	-	-	-
Reinvested distributions	-	-	-	-
Redeemed	-	-	-	-
<b>Securities outstanding – end of period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

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

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

	2018 Series PWX8	2018 Series T5	2018 Series T8	2018 Total
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Beginning of period	-	-	-	-
Increase (decrease) in net assets from operations	-	-	(2)	402
Distributions paid to securityholders:				
Investment income	-	-	-	-
Capital gains	-	-	-	-
Return of capital	-	-	(1)	(11)
Total distributions paid to securityholders	-	-	(1)	(11)
Security transactions:				
Proceeds from securities issued	1	1	123	27,686
Reinvested distributions	-	-	-	6
Value of securities redeemed	-	-	(31)	(6,603)
Total security transactions	1	1	92	21,089
<b>Total increase (decrease) in net assets</b>	<b>1</b>	<b>1</b>	<b>89</b>	<b>21,480</b>
<b>End of period</b>	<b>1</b>	<b>1</b>	<b>89</b>	<b>21,480</b>
<b>Increase (decrease) in fund securities (note 7):</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	
<b>Securities outstanding – beginning of period</b>	-	-	-	
Issued	-	-	8	
Reinvested distributions	-	-	-	
Redeemed	-	-	(2)	
<b>Securities outstanding – end of period</b>	<b>-</b>	<b>-</b>	<b>6</b>	

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



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Investments

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

## STATEMENT OF CASH FLOWS

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

	2018
	\$
<b>Cash flows from operating activities</b>	
Net increase (decrease) in net assets attributable to securityholders from operations	402
Adjustments for:	
Net realized loss (gain) on investments	42
Change in net unrealized loss (gain) on investments	(462)
Purchase of investments	(25,196)
Proceeds from sale and maturity of investments	4,625
Change in accrued interest receivable	(81)
Change in dividends receivable	(32)
Change in due to manager	3
Change in margin on futures contracts	(130)
<b>Net cash from operating activities</b>	<b>(20,829)</b>
<b>Cash flows from financing activities</b>	
Proceeds from redeemable securities issued	27,044
Payments on redemption of redeemable securities	(6,040)
Distributions paid net of reinvestments	(5)
<b>Net cash from financing activities</b>	<b>20,999</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>170</b>
Cash and cash equivalents at beginning of period	–
Effect of exchange rate fluctuations on cash and cash equivalents	1
<b>Cash and cash equivalents at end of period</b>	<b>171</b>
Cash	144
Cash equivalents	27
<b>Cash and cash equivalents at end of period</b>	<b>171</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>	
Dividends received	50
Foreign taxes paid	15
Interest received	69
Interest paid	–

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

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

## SCHEDULE OF INVESTMENTS

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS</b>					
Advanced Micro Devices Inc. 7.50% 08-15-2022	United States	Corporate - Non Convertible	USD 40,000	57	56
Air Medical Group Holdings Inc. Term Loan B 1st Lien F/R 09-26-2024	United States	Term Loans	USD 49,875	62	65
Algonquin Power & Utilities Corp. 4.09% 02-17-2027 Callable	Canada	Corporate - Non Convertible	75,000	78	77
Amneal Pharmaceuticals LLC Term loan B 1st Lien F/R 03-23-2025	United States	Term Loans	USD 10,000	13	13
APT Pipelines Ltd. 4.20% 03-23-2025 Callable 2024	Australia	Corporate - Non Convertible	USD 50,000	65	65
Artis Real Estate Investment Trust 3.753% 03-27-2019	Canada	Corporate - Non Convertible	50,000	50	50
Asian Development Bank 5.90% 12-20-2022	Supra - National	n/a	INR 3,520,000	68	68
AT&T Inc. 2.30% 03-11-2019	United States	Corporate - Non Convertible	USD 60,000	76	77
ATS Consolidated Inc. Term Loan B 1st Lien F/R 02-23-2025	United States	Term Loans	USD 10,000	13	13
Bank of America Corp. 1.95% 05-12-2018	United States	Corporate - Non Convertible	USD 60,000	75	77
Bank of America Corp. 2.15% 11-09-2020 Callable 2019	United States	Corporate - Non Convertible	USD 60,000	75	76
Bank of America Corp. 3.228% 06-22-2022	United States	Corporate - Non Convertible	40,000	41	41
Bank of America Corp. F/R 03-15-2023 Callable 2022	United States	Corporate - Non Convertible	110,000	109	109
Bank of Montreal 1.61% 10-28-2021 DPNT	Canada	Corporate - Non Convertible	30,000	29	29
Bank of Montreal 2.70% 09-11-2024 DPNT	Canada	Corporate - Non Convertible	10,000	10	10
Bank of Montreal F/R 12-15-2032 Callable 2027	Canada	Corporate - Non Convertible	USD 20,000	26	25
The Bank of Nova Scotia 1.83% 04-27-2022	Canada	Corporate - Non Convertible	25,000	24	24
The Bank of Nova Scotia 2.36% 11-08-2022	Canada	Corporate - Non Convertible	10,000	10	10
Bell Canada 2.70% 02-27-2024 Callable	Canada	Corporate - Non Convertible	75,000	74	73
Boardriders Inc. Term Loan B 1st Lien F/R 03-21-2024	United States	Term Loans	USD 10,000	13	13
Brookfield Renewable Energy Partners ULC 3.63% 01-15-2027 Callable 2026	Canada	Corporate - Non Convertible	75,000	75	75
Calpine Corp. 5.25% 06-01-2026 Callable 2021	United States	Corporate - Non Convertible	USD 40,000	50	50
Can Am Construction Inc./Canada Term Loan B 1st Lien F/R 07-01-2024	Canada	Term Loans	USD 49,749	63	65
Canadian Imperial Bank of Commerce 2.47% 12-05-2022	Canada	Corporate - Non Convertible	80,000	80	79
Canadian Imperial Bank of Commerce F/R 04-04-2028 Callable 2023	Canada	Corporate - Non Convertible	20,000	20	20
Canadian Western Bank 2.92% 12-15-2022	Canada	Corporate - Non Convertible	20,000	20	20
Careerbuilder LLC Term Loan 1st Lien F/R 07-31-2023	United States	Term Loans	USD 48,750	60	63
Choice Properties Real Estate Investment Trust 3.01% 03-21-2022 Callable 2022	Canada	Corporate - Non Convertible	10,000	10	10
Choice Properties Real Estate Investment Trust 3.55% 01-10-2025 Callable 2024	Canada	Corporate - Non Convertible	20,000	20	20
Choice Properties Real Estate Investment Trust 4.18% 03-08-2028 Callable 2027	Canada	Corporate - Non Convertible	20,000	20	20
Citigroup Inc. 4.09% 06-09-2025	United States	Corporate - Non Convertible	100,000	103	103
City of Oslo 2.35% 09-04-2024	Norway	Foreign Governments	NOK 2,000,000	320	328
Comber Wind Financial Corp. 5.132% 11-15-2030	Canada	Corporate - Non Convertible	40,423	44	43
Coronado Australian Holdings Pty Ltd. Term Loan B 1st Lien F/R 03-21-2025	United States	Term Loans	USD 7,857	10	10
Coronado Australian Holdings Pty Ltd. Term Loan C 1st Lien F/R 03-21-2025	United States	Term Loans	USD 2,143	3	3
Covanta Holding Corp. 5.88% 07-01-2025 Callable 2020	United States	Corporate - Non Convertible	USD 40,000	49	50
CU Inc. 3.76% 11-19-2046 Callable 2046	Canada	Corporate - Non Convertible	50,000	51	52
Dell International LLC Term Loan B 1st Lien F/R 09-07-2023	United States	Term Loans	USD 45,673	57	59
DNB Boligkreditt AS 2.00% 05-28-2020	Norway	Corporate - Non Convertible	USD 200,000	256	254



**MACKENZIE**  
Investments



# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Electrical Components International Inc. Term Loan B 1st Lien F/R 05-28-2021	United States	Term Loans	USD 49,743	63	65
Enbridge Inc. 3.70% 07-15-2027 Callable 2027	Canada	Corporate - Non Convertible	USD 75,000	98	93
Enbridge Inc. 4.57% 03-11-2044	Canada	Corporate - Non Convertible	50,000	51	50
Envigo Holdings Inc. Term Loan B 1st Lien F/R 12-14-2023	United States	Term Loans	USD 10,000	12	13
EPCOR Utilities Inc. 3.55% 11-27-2047 Callable 2047	Canada	Corporate - Non Convertible	10,000	10	10
European Bank for Reconstruction & Development 6.00% 05-04-2020	Supra - National	n/a	INR 7,500,000	147	147
European Investment Bank 1.25% 11-05-2020	Supra - National	n/a	100,000	98	98
Fresenius US Finance II Inc. 4.25% 02-01-2021	Germany	Corporate - Non Convertible	USD 75,000	101	98
GFL Environmental Inc. 5.38% 03-01-2023 Callable 2020	Canada	Corporate - Non Convertible	USD 80,000	102	101
The Goldman Sachs Group Inc. 3.31% F/R 10-31-2025 Callable 2024	United States	Corporate - Non Convertible	90,000	90	89
Government of Canada 1.00% 06-01-2027	Canada	Federal Government	30,000	27	27
Government of Canada 2.75% 12-01-2048	Canada	Federal Government	50,000	54	56
Government of Ireland 1.00% 05-15-2026	Ireland	Foreign Governments	EUR 150,000	229	245
Government of Japan 0.10% 02-15-2019	Japan	Foreign Governments	JPY 25,000,000	305	303
HCN Canadian Holdings-1 LP 3.35% 11-25-2020	United States	Corporate - Non Convertible	50,000	51	51
Heathrow Funding Ltd. 3.40% 03-08-2028	United Kingdom	Corporate - Non Convertible	20,000	20	20
Hornblower Sub LLC Term Loan 1st Lien F/R 04-28-2025	United States	Term Loans	USD 10,000	13	13
HSBC Bank Canada 2.54% 01-31-2023	Canada	Corporate - Non Convertible	20,000	20	20
HSBC Holdings PLC 3.20% 12-05-2023	United Kingdom	Corporate - Non Convertible	150,000	152	151
Hudson River Trading LLC Term Loan 1st Lien F/R 03-20-2025	United States	Term Loans	USD 10,000	13	13
Hydro One Inc. 3.72% 11-18-2047	Canada	Corporate - Non Convertible	50,000	50	51
Hydro-Quebec 4.00% 02-15-2055	Canada	Provincial Governments	50,000	59	61
Industrial Alliance Insurance and Financial Services Inc. 2.80% 05-16-2024 Callable 2019	Canada	Corporate - Non Convertible	75,000	75	75
International Finance Corp. 6.30% 11-25-2024	Supra - National	n/a	INR 6,480,000	127	127
JPMorgan Chase & Co. 3.19% 03-05-2021	United States	Corporate - Non Convertible	30,000	31	31
KEMET Corp. Term Loan B 1st Lien F/R 04-26-2024	United States	Term Loans	USD 48,734	62	64
Kindred Healthcare Inc. Term Loan Term B 1st Lien F/R 04-09-2021	United States	Term Loans	USD 49,742	63	64
Kommunalbanken AS 2.13% 02-11-2025	Norway	Foreign Governments	USD 200,000	251	245
Kommuninvest I Sverige AB 2.50% 12-01-2020	Sweden	Foreign Governments	SEK 900,000	149	149
The Korea Development Bank 5.13% 11-13-2020	South Korea	Foreign Governments	NZD 150,000	137	145
L Brands Inc. 6.95% 03-01-2033	United States	Corporate - Non Convertible	USD 40,000	50	50
Lantheus Medical Imaging Inc. Term Loan B 1st Lien F/R 06-30-2022	United States	Term Loans	USD 49,749	63	65
Laurentian Bank of Canada F/R 10-22-2019	Canada	Corporate - Non Convertible	20,000	20	20
LBM Borrower LLC Term Loan 1st Lien F/R 08-20-2022	United States	Term Loans	USD 49,745	63	65
Lee Enterprises Inc. 9.50% 03-15-2022 Callable 2018	United States	Corporate - Non Convertible	USD 40,000	52	54
Manulife Bank of Canada 2.08% 05-26-2022	Canada	Corporate - Non Convertible	75,000	73	73
Manulife Bank of Canada 2.84% 01-12-2023	Canada	Corporate - Non Convertible	10,000	10	10
Mattamy Group Corp. 6.50% 10-01-2025 Callable 2020	Canada	Corporate - Non Convertible	40,000	41	41
McAfee LLC Term Loan B 1st Lien F/R 09-30-2024	United States	Term Loans	USD 199,374	255	260
Meredith Corp. Term Loan B 1st Lien F/R 01-18-2025	United States	Term Loans	USD 10,000	12	13
Metro Inc. 2.68% 12-05-2022 Callable 2022	Canada	Corporate - Non Convertible	10,000	10	10
Metro Inc. 3.39% 12-06-2027 Callable 2027	Canada	Corporate - Non Convertible	20,000	20	20
MidAmerican Energy Co. 3.95% 08-01-2047 Callable 2047	United States	Corporate - Non Convertible	USD 40,000	53	52



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Morgan Stanley 3.00% 02-07-2024	United States	Corporate - Non Convertible	100,000	100	99
Neenah Foundry Co. Term Loan B 1st Lien F/R 12-08-2022	United States	Term Loans	USD 10,000	13	13
New Red Finance Inc. 5.00% 10-15-2025 Callable 2020	Canada	Corporate - Non Convertible	USD 5,000	6	6
Nokia OYJ 3.38% 06-12-2022	Finland	Corporate - Non Convertible	USD 40,000	51	50
Northland Power Solar Finance One LP 4.40% 06-30-2032	Canada	Corporate - Non Convertible	42,959	45	45
NRG Yield Operating LLC 5.375% 08-15-2024 Callable	United States	Corporate - Non Convertible	USD 40,000	52	52
Ocean Bidco Inc. Term Loan B 1st Lien F/R 03-02-2025	United States	Term Loans	USD 10,000	13	13
OCI Beaumont LLC Term Loan B 1st Lien F/R 02-16-2025	United States	Term Loans	USD 10,000	13	13
Osteon Merger Sub Inc. Term Loan B 1st Lien F/R 02-06-2025	United States	Term Loans	USD 10,000	12	13
Parkland Fuel Corp. 6.00% 04-01-2026 Callable 2021	Canada	Corporate - Non Convertible	USD 10,000	13	13
Pattern Energy Group Inc. 5.88% 02-01-2024 Callable 2020	United States	Corporate - Non Convertible	USD 40,000	53	53
PepsiCo Inc. 2.15% 05-06-2024 Callable 2024	United States	Corporate - Non Convertible	75,000	73	72
PepsiCo Inc. 3.00% 10-15-2027 Callable 2027	United States	Corporate - Non Convertible	USD 100,000	128	124
Pisces Midco Inc. Term Loan B 1st Lien F/R 03-29-2025	United States	Term Loans	USD 10,000	13	13
Pisces Midco Inc. 8.00% 04-15-2026 Callable 2021	United States	Corporate - Non Convertible	USD 5,000	6	6
Project Leopard Holdings Inc. Term Loan 1st Lien F/R 07-07-2023	United States	Term Loans	USD 49,750	64	65
Prospect Medical Holdings Inc. Term Loan B 1st Lien F/R 02-15-2024	United States	Term Loans	USD 10,000	12	13
Province of Ontario 1.75% 10-09-2018	Canada	Provincial Governments	75,000	75	75
Province of Quebec 1.65% 03-03-2022 Green Bond	Canada	Provincial Governments	75,000	74	73
Province of Quebec 2.45% 03-01-2023	Canada	Provincial Governments	250,000	250	251
PS HoldCo LLC Term Loan 1st Lien F/R 03-02-2025	United States	Term Loans	USD 10,000	13	13
Queensland Treasury Corp. 2.75% 08-20-2027	Australia	Foreign Governments	AUD 250,000	236	241
Realkredit Danmark AS 1.00% 04-01-2022	Denmark	Corporate - Non Convertible	DKK 2,000,000	413	440
Red Ventures LLC Term Loan B 1st Lien F/R 11-08-2024	United States	Term Loans	USD 39,800	50	52
Reliance Intermediate Holdings LP 6.50% 04-01-2023 Callable 2018	Canada	Corporate - Non Convertible	USD 5,000	7	7
Reliance LP 3.84% 03-15-2025 Callable 2025	Canada	Corporate - Non Convertible	15,000	15	15
Research Now Group Inc. Term Loan 1st Lien F/R 12-20-2024	United States	Term Loans	USD 9,975	12	13
Rogers Communications Inc. 4.00% 03-13-2024	Canada	Corporate - Non Convertible	75,000	80	79
Royal Bank of Canada 2.00% 03-21-2022	Canada	Corporate - Non Convertible	75,000	74	73
Royal Bank of Canada 2.36% 12-05-2022	Canada	Corporate - Non Convertible	10,000	10	10
Sigma Bidco BV Term Loan B 1st Lien F/R 03-07-2025	Netherlands	Term Loans	EUR 10,000	16	16
Sigma US Corp. Term Loan B 1st Lien F/R 03-06-2025	Netherlands	Term Loans	USD 10,000	13	13
Staples Inc. Term Loan 1st Lien F/R 08-15-2024	United States	Term Loans	USD 49,875	62	64
Stepstone Group LP Term Loan B 1st Lien F/R 03-19-2025	United States	Term Loans	USD 10,000	13	13
Sun Life Financial Inc. F/R 11-23-2027 Callable 2022	Canada	Corporate - Non Convertible	80,000	80	79
Sydney Airport Finance Co. Pty. Ltd. 3.625% 04-28-2026 Callable 2026	Australia	Corporate - Non Convertible	USD 50,000	63	63
TELUS Corp. 3.63% 03-01-2028 Callable 2027	Canada	Corporate - Non Convertible	10,000	10	10
TerraForm Power Operating LLC 5.00% 01-31-2028 Callable 2027	United States	Corporate - Non Convertible	USD 60,000	77	74
Teva Pharmaceutical Finance Netherlands III BV 3.15% 10-01-2026 Callable	Israel	Corporate - Non Convertible	USD 15,000	16	16
Thomson Reuters Corp. 3.309% 11-12-2021 Callable	Canada	Corporate - Non Convertible	50,000	51	51
Titan Acquisition Ltd. Term Loan 1st Lien F/R 03-16-2025	United Kingdom	Term Loans	USD 10,000	13	13
Titan Acquisition Ltd. 7.75% 04-15-2026 Callable 2021	United Kingdom	Corporate - Non Convertible	USD 10,000	13	13
TMX Group Ltd. 2.30% 12-11-2024 Callable 2024	Canada	Corporate - Non Convertible	10,000	10	10
The Toronto-Dominion Bank 1.91% 07-18-2023 DPNT	Canada	Corporate - Non Convertible	75,000	73	72
TransCanada PipeLines Ltd. 3.30% 07-17-2025 Callable 2025 MTN	Canada	Corporate - Non Convertible	100,000	104	102
Transurban Finance Co. Pty Ltd. 3.368% 03-06-2019	Australia	Asset Backed	150,000	153	152



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Treasury Corp. of Victoria 3.00% 10-20-2028	Australia	Foreign Governments	AUD 250,000	241	247
Trico Products Corp. Term Loan 1st Lien F/R 02-02-2024	United States	Term Loans	USD 10,000	12	13
Trillium Windpower LP 5.80% 02-15-2033	United States	Corporate - Non Convertible	20,941	24	24
U.S. Renal Care Inc. Term Loan 1st Lien F/R 12-31-2022	United States	Term Loans	USD 49,746	61	64
Uber Technologies Inc. Term Loan 1st Lien F/R 03-21-2025	United States	Term Loans	USD 10,000	13	13
United Kingdom Treasury 4.25% 12-07-2027	United Kingdom	Foreign Governments	GBP 100,000	215	228
United States Treasury Inflation Indexed 0.13% 01-15-2023	United States	Foreign Governments	USD 150,000	199	204
United States Treasury Inflation Indexed 2.00% 01-15-2026	United States	Foreign Governments	USD 140,000	239	249
United States Treasury Inflation Indexed 0.38% 07-15-2027	United States	Foreign Governments	USD 325,000	413	413
United States Treasury Inflation Indexed 0.89% 02-15-2047	United States	Foreign Governments	USD 200,000	256	262
United States Treasury 2.25% 08-15-2027	United States	Foreign Governments	USD 50,000	62	62
United States Treasury 3.00% 02-15-2047	United States	Foreign Governments	USD 50,000	65	65
Ventas Canada Finance Ltd. 2.55% 03-15-2023 Callable 2023	United States	Corporate - Non Convertible	50,000	49	49
Verizon Communications Inc. 2.63% 08-15-2026 Callable 2026	United States	Corporate - Non Convertible	USD 60,000	71	71
Vistage Worldwide Inc. Term Loan 1st Lien F/R 02-01-2025	United States	Term Loans	USD 10,000	12	13
W/S Packaging Holdings Inc. 9.00% 04-15-2023 Callable 2020	United States	Corporate - Non Convertible	USD 10,000	13	13
Wrangler Buyer Corp. 6.00% 10-01-2025 Callable 2020	United States	Corporate - Non Convertible	USD 40,000	51	51
Zotec Partners LLC Term Loan 1st Lien F/R 02-09-2024	United States	Term Loans	USD 10,000	12	13
<b>Total bonds</b>				<b>10,412</b>	<b>10,523</b>
<b>EQUITIES</b>					
ABN AMRO Group NV	Netherlands	Financials	2,935	112	114
Alnylam Pharmaceuticals Inc.	United States	Health Care	326	50	50
Alphabet Inc. Class C	United States	Information Technology	263	327	349
Amada Holdings Co. Ltd.	Japan	Industrials	7,000	100	110
Amazon.com Inc.	United States	Consumer Discretionary	151	191	282
American Water Works Co. Inc.	United States	Utilities	2,285	245	242
Bayerische Motoren Werke (BMW) AG	Germany	Consumer Discretionary	395	50	55
Becton, Dickinson and Co.	United States	Health Care	445	112	124
The Berkeley Group Holdings PLC	United Kingdom	Consumer Discretionary	491	32	34
Biogen Inc.	United States	Health Care	335	143	118
BNP Paribas SA	France	Financials	2,210	216	211
Cemex SAB de CV ADR	Mexico	Materials	8,319	83	71
Cerner Corp.	United States	Health Care	1,766	160	132
Comcast Corp. Class A	United States	Consumer Discretionary	6,968	348	306
Comerica Inc.	United States	Financials	1,820	191	225
Compagnie de Saint-Gobain	France	Industrials	2,006	149	137
Compass Group PLC	United Kingdom	Consumer Discretionary	6,419	171	169
ConocoPhillips	United States	Energy	2,689	170	205
CVS Health Corp.	United States	Consumer Staples	1,895	172	152
DexCom Inc.	United States	Health Care	1,224	88	117
EOG Resources Inc.	United States	Energy	1,393	188	189
Facebook Inc.	United States	Information Technology	1,153	252	237
Fifth Third Bancorp	United States	Financials	6,917	256	283
Foot Locker Inc.	United States	Consumer Discretionary	1,582	61	93
Ford Motor Co.	United States	Consumer Discretionary	5,935	90	85
Galapagos NV	Belgium	Health Care	438	56	57
HeidelbergCement AG	Germany	Materials	1,419	177	180
ICICI Bank Ltd. ADR	India	Financials	6,207	65	71



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Illumina Inc.	United States	Health Care	388	100	118
ING Groep NV	Netherlands	Financials	9,750	223	212
JPMorgan Chase & Co.	United States	Financials	2,135	261	302
Kinden Corp.	Japan	Industrials	7,700	158	165
Kion Group AG	Germany	Industrials	1,018	112	122
KT Corp. ADR	South Korea	Telecommunication Services	9,210	169	163
Kyocera Corp.	Japan	Information Technology	2,300	184	168
Lloyds Banking Group PLC	United Kingdom	Financials	103,477	113	121
Luxottica Group SPA	Italy	Consumer Discretionary	1,265	86	101
Medtronic PLC	United States	Health Care	1,526	151	158
Microsoft Corp.	United States	Information Technology	2,124	206	250
Mitsubishi Electric Corp.	Japan	Industrials	5,000	106	103
NCR Corp.	United States	Information Technology	2,444	110	99
Nike Inc. Class B	United States	Consumer Discretionary	1,447	94	124
Nippon Telegraph & Telephone Corp. (NTT)	Japan	Telecommunication Services	4,900	285	292
Novartis AG Reg.	Switzerland	Health Care	2,000	216	208
Prudential PLC	United Kingdom	Financials	5,047	152	163
Regeneron Pharmaceuticals Inc.	United States	Health Care	211	109	94
Reinsurance Group of America Inc.	United States	Financials	801	144	159
Roper Technologies Inc.	United States	Industrials	404	127	146
Ross Stores Inc.	United States	Consumer Discretionary	1,823	171	183
Royal Caribbean Cruises Ltd.	United States	Consumer Discretionary	1,657	264	251
Samsung SDI Co. Ltd.	South Korea	Information Technology	473	122	110
Schneider Electric SE	France	Industrials	639	69	72
Shenzhou International Group Holdings Ltd.	China	Consumer Discretionary	6,000	65	82
Shire PLC ADR	United States	Health Care	976	179	188
Sony Corp.	Japan	Consumer Discretionary	2,700	126	169
Southwest Airlines Co.	United States	Industrials	4,396	327	323
Spark Therapeutics Inc.	United States	Health Care	472	49	40
Start Today Co. Ltd.	Japan	Consumer Discretionary	2,200	83	76
Swedbank AB	Sweden	Financials	5,424	179	157
Synchrony Financial	United States	Financials	3,850	156	166
Tencent Holdings Ltd.	China	Information Technology	3,900	235	267
Tokyo Gas Co. Ltd.	Japan	Utilities	2,700	88	92
United Continental Holdings Inc.	United States	Industrials	1,660	138	149
Visa Inc. Class A	United States	Information Technology	1,731	235	267
Vonovia SE	Germany	Real Estate	2,744	150	175
<b>Total equities</b>				<b>9,997</b>	<b>10,433</b>



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EXCHANGE-TRADED FUNDS/NOTES</b>					
iShares Core MSCI EAFE ETF	United States	Exchange-Traded Funds/Notes	1,595	133	135
iShares Core S&P 500 ETF	United States	Exchange-Traded Funds/Notes	281	93	96
iShares MSCI Indonesia ETF	Indonesia	Exchange-Traded Funds/Notes	2,341	88	81
<b>Total exchange-traded funds/notes</b>				<b>314</b>	<b>312</b>
Transaction costs				(11)	–
<b>Total investments</b>				<b>20,712</b>	<b>21,268</b>
Derivative instruments (see schedule of derivative instruments)					(94)
Cash and cash equivalents					171
Other assets less liabilities					135
<b>Total net assets</b>					<b>21,480</b>



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

## SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2018

<b>Portfolio Allocation</b>	<b>% of NAV</b>
Bonds	48.7
<i>Bonds</i>	49.0
<i>Short futures</i>	(0.3)
Equities	48.5
Exchange-traded funds/notes	1.5
Cash and short-term investments	0.8
Other assets (liabilities)	0.5

<b>Regional Allocation</b>	<b>% of NAV</b>
United States	50.1
Canada	11.6
Japan	6.9
United Kingdom	4.9
Norway	3.9
Australia	3.6
Other	3.0
Germany	2.9
Denmark	2.1
France	2.0
South Korea	1.9
Netherlands	1.7
China	1.6
Sweden	1.4
Ireland	1.1
Cash and short-term investments	0.8
Other assets (liabilities)	0.5

<b>Sector Allocation</b>	<b>% of NAV</b>
Corporate bonds	21.4
Foreign government bonds	15.8
Financials	10.2
Consumer discretionary	9.4
Information technology	8.1
Health care	6.5
Term loans	6.5
Industrials	6.2
Other	3.5
Provincial bonds	2.1
Telecommunication services	2.1
Supra-national bonds	2.0
Energy	1.8
Utilities	1.6
Exchange-traded funds/notes	1.5
Cash and short-term investments	0.8
Other assets (liabilities)	0.5



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

## SCHEDULE OF DERIVATIVE INSTRUMENTS

As at March 31, 2018

### Schedule of Futures Contracts

Number of Contracts	Type of Contract	Expiration Date	Average Rate of Contracts (\$)	Notional Value* (\$ 000s)	Unrealized (Losses) (\$ 000s)
(3)	Euro-BOBL Futures June 2018	Jun. 7, 2018	156.58 EUR	(758)	(14)
(6)	CME Ultra Term United States Treasury Bond Futures June 2018	Jun. 20, 2018	154.63 USD	(1,240)	(45)
Unrealized (Losses)				(1,998)	(59)
<b>Total futures contracts</b>				<b>(1,998)</b>	<b>(59)</b>

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

### Schedule of Forward Currency Contracts

Counterparty Credit Rating	Bought (\$ 000s)	Sold (\$ 000s)	Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized Gains (Losses) (\$ 000s)
AA	4 British pound	(5) U.S. dollar	Apr. 5, 2018	6	6	–
AA	73 U.S. dollar	(600) Swedish krona	Apr. 5, 2018	(94)	(92)	2
AA	82 U.S. dollar	(76) Swiss franc	Apr. 5, 2018	(105)	(103)	2
AA	175 Euro	(269) Canadian dollar	Apr. 20, 2018	269	278	9
A	140 Canadian dollar	(140) Australian dollar	May 9, 2018	(140)	(138)	2
AA	140 Canadian dollar	(140) Australian dollar	Jun. 20, 2018	(140)	(138)	2
AA	452 Canadian dollar	(2,085) Danish krone	Jun. 22, 2018	(452)	(446)	6
AA	2,757 Canadian dollar	(2,140) U.S. dollar	Jun. 22, 2018	(2,757)	(2,753)	4
AA	657 Canadian dollar	(505) U.S. dollar	Jun. 29, 2018	(657)	(649)	8
Unrealized Gains						35
AA	42 Australian dollar	(33) U.S. dollar	Apr. 5, 2018	43	42	(1)
AA	39 Euro	(48) U.S. dollar	Apr. 5, 2018	62	61	(1)
AA	849 Japanese yen	(8) U.S. dollar	Apr. 5, 2018	10	10	–
AA	16 New Zealand dollar	(12) U.S. dollar	Apr. 5, 2018	15	15	–
AA	210 Norwegian krone	(27) U.S. dollar	Apr. 5, 2018	35	35	–
AA	3 Canadian dollar	(2) U.S. dollar	Apr. 5, 2018	(3)	(3)	–
AA	215 Canadian dollar	(127) British pound	Apr. 11, 2018	(215)	(230)	(15)
AA	100 Canadian dollar	(80) U.S. dollar	Apr. 13, 2018	(100)	(103)	(3)
AA	377 Canadian dollar	(300) U.S. dollar	Apr. 13, 2018	(377)	(387)	(10)
AA	321 Canadian dollar	(2,000) Norwegian krone	Apr. 20, 2018	(321)	(329)	(8)
AA	45 Canadian dollar	(35) U.S. dollar	Apr. 20, 2018	(45)	(46)	(1)
AA	113 Canadian dollar	(90) U.S. dollar	Apr. 20, 2018	(113)	(116)	(3)
AA	508 Canadian dollar	(330) Euro	Apr. 20, 2018	(508)	(524)	(16)
A	126 Canadian dollar	(100) U.S. dollar	Apr. 27, 2018	(126)	(129)	(3)
A	211 Canadian dollar	(215) Australian dollar	May 9, 2018	(211)	(212)	(1)
AA	45 Canadian dollar	(35) U.S. dollar	May 11, 2018	(45)	(46)	(1)
AA	163 Canadian dollar	(130) U.S. dollar	Jun. 8, 2018	(163)	(167)	(4)
AA	301 Canadian dollar	(25,000) Japanese yen	Jun. 20, 2018	(301)	(304)	(3)
Unrealized (Losses)						(70)
<b>Total forward currency contracts</b>						<b>(35)</b>
<b>Total derivative instruments at fair value</b>						<b>(94)</b>



**MACKENZIE**  
Investments



# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

### 1. Fiscal Periods and General Information

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

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

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

### 2. Basis of Preparation and Presentation

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

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

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

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

### 3. Significant Accounting Policies

#### (a) Financial instruments

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

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

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

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

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

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



# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

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

#### (b) Fair value measurement

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

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

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

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

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

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

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

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

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

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

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

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

#### (c) Income recognition

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

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

#### (d) Commissions and other portfolio transaction costs

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

#### (e) Securities lending, repurchase and reverse repurchase transactions

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

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

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

#### (f) Offsetting

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

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

#### (g) Foreign currency

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

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

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

#### (h) Net assets attributable to securityholders per security

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

#### (i) Net asset value per security

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

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

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

(k) Mergers

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

### 4. Critical Accounting Estimates and Judgments

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

#### Use of Estimates

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

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

#### Use of Judgments

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

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

##### *Functional currency*

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

##### *Structured entities and associates*

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

### 5. Income Taxes

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

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

## NOTES TO FINANCIAL STATEMENTS

### 6. Management Fees and Operating Expenses

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

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

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

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

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

### 7. Fund's Capital

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

### 8. Financial Instruments Risk

#### i. Risk exposure and management

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

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

#### ii. Liquidity risk

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

#### iii. Currency risk

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

## NOTES TO FINANCIAL STATEMENTS

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

#### iv. Interest rate risk

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

#### v. Other price risk

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

#### vi. Credit risk

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

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

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

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

#### vii. Underlying funds

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

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

Date of Formation September 29, 2017

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 Statement of Changes in Financial Position.

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

Series A, Series T5 and Series T8 securities are offered to retail investors investing a minimum of \$500 (\$5,000 for Series T5 and Series T8). Investors in Series T5 and Series T8 securities also want to receive a regular monthly cash flow of 5% and 8% per year, respectively.

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 F5 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 F5 and Series F8); they are also available to employees of Mackenzie and its subsidiaries, and directors of Mackenzie. Investors in Series F5 and Series F8 securities also want to receive a regular monthly cash flow of 5% 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 regular monthly cash flow of 5% per year.

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

Series PW, Series PWT5 and Series PWT8 securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors in Series PWT5 and Series PWT8 securities also want to receive a monthly cash flow of 5% and 8% per year, respectively.

Series PWF, Series PWF5 and Series PWF8 securities are offered through our Private Wealth Solutions to certain high net worth investors who are enrolled in a dealer-sponsored fee-for-service or wrap program, who are subject to an asset-based fee rather than commissions on each transaction and who invest at least \$100,000. Investors in Series PWF5 and Series PWF8 securities also want to receive a monthly cash flow of 5% and 8% per year, respectively. Effective June 1, 2018, Series PWF, Series PWF5 and Series PWF8 securities were consolidated into Series F, Series F5 and Series F8 securities, respectively.

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

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

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



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$) Mar. 31, 2018
Series A	October 16, 2017	1.85%	0.24%	10.19
Series AR	October 16, 2017	1.85%	0.27%	10.20
Series D	October 16, 2017	1.10%	0.16%	10.24
Series F	October 16, 2017	0.70% <sup>(3)</sup>	0.15% <sup>(6)</sup>	10.25
Series F5	October 16, 2017	0.70% <sup>(3)</sup>	0.15% <sup>(6)</sup>	15.01
Series F8	October 16, 2017	0.70% <sup>(3)</sup>	0.15% <sup>(6)</sup>	14.78
Series FB	October 16, 2017	0.85%	0.24%	10.25
Series FB5	October 16, 2017	0.85%	0.24%	15.00
Series O	October 16, 2017	— <sup>(1)</sup>	— *	10.30
Series PW	October 16, 2017	1.70% <sup>(4)</sup>	0.15%	10.21
Series PWF	October 16, 2017	0.80%	0.15%	10.26
Series PWF5	October 16, 2017	0.80%	0.15%	15.03
Series PWF8	October 16, 2017	0.80%	0.15%	14.81
Series PWFB	October 16, 2017	0.70% <sup>(5)</sup>	0.15%	10.27
Series PWFB5	October 16, 2017	0.70% <sup>(5)</sup>	0.15%	15.03
Series PWT5	October 16, 2017	1.70% <sup>(4)</sup>	0.15%	14.95
Series PWT8	October 16, 2017	1.70% <sup>(4)</sup>	0.15%	14.73
Series PWX	October 16, 2017	— <sup>(2)</sup>	— <sup>(2)</sup>	10.30
Series PWX8	October 16, 2017	— <sup>(2)</sup>	— <sup>(2)</sup>	14.85
Series T5	October 16, 2017	1.85%	0.24%	14.93
Series T8	October 16, 2017	1.85%	0.24%	14.70

\* Not applicable.

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

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

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

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

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

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

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

As at March 31, 2018, Mackenzie had an investment of \$14,660 in the Fund.



# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

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

#### (c) Loss Carryforwards

As at the last taxation year-end, the following losses were available for carryforward for tax purposes. Capital losses may be carried forward indefinitely to reduce future realized capital gains. Non-capital losses may be utilized to reduce future net income and realized capital gains and expire on December 15 of the years indicated.

Total Capital Loss \$	Total Non-Capital Loss \$	Expiration Date of Non-Capital Losses										
		2037 \$	2036 \$	2035 \$	2034 \$	2033 \$	2032 \$	2031 \$	2030 \$	2029 \$	2028 \$	2027 \$
66	21	21	-	-	-	-	-	-	-	-	-	-

#### (d) Securities Lending

As at March 31, 2018, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.

#### (e) Commissions

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

	(\$)
March 31, 2018	1

#### (f) Unfunded Credit Agreements

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

	Total Unfunded Commitment Amount (US\$)	Total Number of Commitments	Range of Unfunded Commitment Amounts (US\$)	Range of Commitment Fee Rates (%)	Range of Commitment Period End Date
March 31, 2018	30	3	7 - 13	0.750	June 18, 2018 - August 21, 2018

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

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

	March 31, 2018			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	4	(2)	-	2
Unrealized losses on derivative contracts	(74)	2	130	58
Liability for options written	-	-	-	-
Total	(70)	-	130	60

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

##### i. Risk exposure and management

The Fund seeks capital growth and income by investing primarily in a combination of equities and fixed income securities of issuers located anywhere in the world. Depending on economic conditions and relative valuations by the Fund's portfolio managers, the Fund will generally invest 30% to 70% of its assets in each of equity and fixed income securities, but may invest up to 100% of its assets in either asset class. The Fund follows an approach to investing that focuses on sustainable and responsible issuers.



# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

##### ii. Currency risk

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

Currency	March 31, 2018			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	11,492	111	(5,613)	5,990
Japanese yen	1,478	–	(294)	1,184
Euro	1,697	12	(943)	766
British pound	715	4	(224)	495
Hong Kong dollar	349	–	–	349
Indian rupee	342	–	–	342
Swedish krona	306	(4)	(92)	210
New Zealand dollar	145	–	15	160
South Korean won	110	–	–	110
Swiss franc	208	–	(103)	105
Australian dollar	488	3	(446)	45
Norwegian krone	328	–	(294)	34
Danish krone	440	–	(446)	(6)
Total	18,098	126	(8,440)	9,784
% of Net Assets	84.3	0.6	(39.3)	45.6

\* Includes both monetary and non-monetary financial instruments

As at March 31, 2018, had the Canadian dollar increased or decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$489 or 2.3% of total net assets. In practice, the actual trading results may differ and the difference could be material.

##### iii. Interest rate risk

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

Term to Maturity	March 31, 2018 (\$)	
	Bonds	Derivative Instruments
Less than 1 year	734	(1,998)
1-5 years	3,320	–
5-10 years	5,356	–
Greater than 10 years	1,113	–
Total	10,523	(1,998)

As at March 31, 2018, had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased by approximately \$301 or 1.4% of total net assets. In practice, the actual trading results may differ and the difference could be material.

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

##### iv. Other price risk

The Fund's most significant exposure to price risk arises from its investment in equity securities, exchange-traded funds/notes and mutual funds. As at March, 2018, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased by approximately \$1,075 or 5.0% of total net assets. In practice, the actual trading results may differ and the difference could be material.

##### v. Credit risk

The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum exposure to any one debt issuer as at March 31, 2018 was 5.3% of the net assets of the Fund.

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

Bond Rating*	March 31, 2018
	% of Net Assets
AAA	16.1
AA	6.5
A	10.1
BBB	6.7
Less than BBB	9.4
Unrated	0.2
Total	49.0

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

#### (i) Fair Value Classification

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

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

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

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

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

	March 31, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	10,523	–	10,523
Equities	7,796	2,637	–	10,433
Exchange-traded funds/notes	312	–	–	312
Derivative assets	–	35	–	35
Derivative liabilities	(59)	(70)	–	(129)
Short-term investments	–	27	–	27
Total	8,049	13,152	–	21,201

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.

# MACKENZIE GLOBAL SUSTAINABILITY AND IMPACT BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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



**MACKENZIE**  
Investments