

MACKENZIE USD GLOBAL STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

BALANCED FUND

MANAGEMENT REPORT

Management's Responsibility for Financial Reporting

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

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

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

On behalf of Mackenzie Financial Corporation,
Manager of the Fund



Barry McInerney
President and Chief Executive Officer



Terry Rountes
Chief Financial Officer, Funds

June 7, 2018

INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Mackenzie USD Global Strategic Income Fund (the "Fund")

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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



Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

June 7, 2018



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STATEMENTS OF FINANCIAL POSITION

*In thousands of U.S. dollars (except per security figures)
As at March 31*

	2018	2017		2018	2017
	\$	\$		\$	\$
ASSETS			Net assets attributable to securityholders		
Current assets			per security (note 3)		
Investments at fair value	53,810	28,563	Series A	10.06	9.97
Cash and cash equivalents	4,446	913	Series D	9.78	9.65
Accrued interest receivable	244	133	Series F	10.15	10.04
Dividends receivable	56	30	Series FB	10.49	10.38
Accounts receivable for investments sold	343	124	Series FB5	–	14.75
Accounts receivable for securities issued	59	138	Series PW	10.09	10.00
Due from manager	5	–	Series PWF	10.11	10.00
Margin on futures contracts	135	213	Series PWF8	13.32	13.75
Unrealized gains on derivative contracts	72	20	Series PWFB	10.12	–
Total assets	59,170	30,134	Series PWT8	14.41	–
			Series PWX	10.34	10.09
			Series T8	12.58	13.12
LIABILITIES					
Current liabilities					
Accounts payable for investments purchased	1,341	207			
Accounts payable for securities redeemed	35	–			
Due to manager	5	–			
Liability for options written	–	5			
Unrealized losses on derivative contracts	159	142			
Total liabilities	1,540	354			
Net assets attributable to securityholders	57,630	29,780			
Net assets attributable to securityholders					
per series (note 3)					
Series A	12,736	13,506			
Series D	2	4			
Series F	5,460	3,919			
Series FB	51	1			
Series FB5	–	1			
Series PW	13,621	5,589			
Series PWF	18,770	3,349			
Series PWF8	438	631			
Series PWFB	1,966	–			
Series PWT8	117	–			
Series PWX	2,580	1,297			
Series T8	1,889	1,483			

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



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STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended March 31 (note 1)
In thousands of U.S. dollars (except per security figures)

	2018	2017		2018	2017
	\$	\$		\$	\$
Income			Increase (decrease) in net assets attributable to securityholders from operations per security		
Dividends	560	336	Series A	0.33	0.52
Interest income	789	430	Series D	0.60	0.69
Other changes in fair value of investments			Series F	0.40	0.70
Net realized gain (loss)	(445)	325	Series FB	0.49	0.68
Net unrealized gain (loss)	1,149	1,134	Series FB5	1.25	0.99
Total income (loss)	2,053	2,225	Series PW	0.29	0.58
			Series PWF	0.18	0.69
Expenses (note 6)			Series PWF8	0.76	1.00
Management fees	646	453	Series PWFB	(1.90)	–
Management fee rebates	(16)	(5)	Series PWFB5	1.35	–
Administration fees	82	57	Series PWT8	0.31	–
Interest charges	2	1	Series PWX	0.43	0.83
Commissions and other portfolio transaction costs	58	33	Series T8	0.39	0.81
Independent Review Committee fees	–	–			
Other	3	2			
Expenses before amounts absorbed by Manager	775	541			
Expenses absorbed by Manager	–	–			
Net expenses	775	541			
Increase (decrease) in net assets attributable to securityholders from operations before tax	1,278	1,684			
Foreign withholding taxes	74	42			
Foreign income taxes paid (recovered)	–	–			
Increase (decrease) in net assets attributable to securityholders from operations	1,204	1,642			
Increase (decrease) in net assets attributable to securityholders from operations per series					
Series A	384	730			
Series D	–	–			
Series F	182	218			
Series FB	1	–			
Series FB5	–	–			
Series PW	316	309			
Series PWF	196	190			
Series PWF8	35	37			
Series PWFB	(40)	–			
Series PWFB5	–	–			
Series PWT8	2	–			
Series PWX	81	85			
Series T8	47	73			

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STATEMENTS OF CHANGES IN FINANCIAL POSITION

For the periods ended March 31 (note 1)
In thousands of U.S. dollars

	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Series A		Series D		Series F		Series FB		Series FB5	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	13,506	13,753	4	4	3,919	2,042	1	1	1	1
Increase (decrease) in net assets from operations	384	730	–	–	182	218	1	–	–	–
Distributions paid to securityholders:										
Investment income	(64)	(87)	–	–	(86)	(45)	(1)	–	–	–
Capital gains	–	(79)	–	–	–	(24)	–	–	–	–
Return of capital	(278)	–	–	–	(98)	–	(1)	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(342)	(166)	–	–	(184)	(69)	(2)	–	–	–
Security transactions:										
Proceeds from securities issued	7,757	6,710	1	50	7,512	2,728	61	–	–	–
Reinvested distributions	298	144	–	–	109	37	2	–	–	–
Value of securities redeemed	(8,867)	(7,665)	(3)	(50)	(6,078)	(1,037)	(12)	–	(1)	–
Total security transactions	(812)	(811)	(2)	–	1,543	1,728	51	–	(1)	–
Total increase (decrease) in net assets	(770)	(247)	(2)	–	1,541	1,877	50	–	(1)	–
End of period	12,736	13,506	2	4	5,460	3,919	51	1	–	1

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	1,355	1,440	–	–	391	213	–	–	–	–
Issued	753	697	–	5	724	281	6	–	–	–
Reinvested distributions	29	15	–	–	11	4	–	–	–	–
Redeemed	(871)	(797)	–	(5)	(588)	(107)	(1)	–	–	–
Securities outstanding – end of period	1,266	1,355	–	–	538	391	5	–	–	–

	Series PW		Series PWF		Series PWF8		Series PWF8		Series PWF8	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	5,589	4,176	3,349	2,166	631	366	–	–	–	–
Increase (decrease) in net assets from operations	316	309	196	190	35	37	(40)	–	–	–
Distributions paid to securityholders:										
Investment income	(85)	(29)	(216)	(44)	(13)	(8)	(5)	–	–	–
Capital gains	–	(28)	–	(20)	–	(4)	–	–	–	–
Return of capital	(295)	–	(286)	–	(39)	(35)	(9)	–	–	–
Management fee rebates	(10)	(4)	(6)	(1)	–	–	–	–	–	–
Total distributions paid to securityholders	(390)	(61)	(508)	(65)	(52)	(47)	(14)	–	–	–
Security transactions:										
Proceeds from securities issued	11,025	2,490	18,160	2,519	240	262	2,008	–	1	–
Reinvested distributions	358	54	414	52	16	13	14	–	–	–
Value of securities redeemed	(3,277)	(1,379)	(2,841)	(1,513)	(432)	–	(2)	–	(1)	–
Total security transactions	8,106	1,165	15,733	1,058	(176)	275	2,020	–	–	–
Total increase (decrease) in net assets	8,032	1,413	15,421	1,183	(193)	265	1,966	–	–	–
End of period	13,621	5,589	18,770	3,349	438	631	1,966	–	–	–

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	559	437	335	226	46	26	–	–	–	–
Issued	1,076	258	1,756	260	17	19	193	–	–	–
Reinvested distributions	35	6	40	5	1	1	1	–	–	–
Redeemed	(320)	(142)	(275)	(156)	(31)	–	–	–	–	–
Securities outstanding – end of period	1,350	559	1,856	335	33	46	194	–	–	–

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

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STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

For the periods ended March 31 (note 1)
In thousands of U.S. dollars

	2018	2017	2018	2017	2018	2017	2018	2017
	Series PWT8		Series PWX		Series T8		Total	
	\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS								
Beginning of period	–	–	1,297	893	1,483	930	29,780	24,332
Increase (decrease) in net assets from operations	2	–	81	85	47	73	1,204	1,642
Distributions paid to securityholders:								
Investment income	(1)	–	(46)	(39)	(8)	(5)	(525)	(257)
Capital gains	–	–	–	(11)	–	(5)	–	(171)
Return of capital	(6)	–	(33)	–	(118)	(93)	(1,163)	(128)
Management fee rebates	–	–	–	–	–	–	(16)	(5)
Total distributions paid to securityholders	(7)	–	(79)	(50)	(126)	(103)	(1,704)	(561)
Security transactions:								
Proceeds from securities issued	303	–	1,467	395	1,076	599	49,611	15,753
Reinvested distributions	5	–	79	50	27	40	1,322	390
Value of securities redeemed	(186)	–	(265)	(76)	(618)	(56)	(22,583)	(11,776)
Total security transactions	122	–	1,281	369	485	583	28,350	4,367
Total increase (decrease) in net assets	117	–	1,283	404	406	553	27,850	5,448
End of period	117	–	2,580	1,297	1,889	1,483	57,630	29,780
Increase (decrease) in fund securities (note 7):								
Securities outstanding – beginning of period	–	–	129	91	113	69		
Issued	20	–	138	41	82	45		
Reinvested distributions	–	–	7	5	2	3		
Redeemed	(12)	–	(25)	(8)	(47)	(4)		
Securities outstanding – end of period	8	–	249	129	150	113		

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STATEMENTS OF CASH FLOWS

For the periods ended March 31 (note 1)
In thousands of U.S. dollars

	2018	2017
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	1,204	1,642
Adjustments for:		
Net realized loss (gain) on investments	445	(325)
Change in net unrealized loss (gain) on investments	(1,149)	(1,134)
Distributions received in-kind from underlying funds	(5)	–
Purchase of investments	(46,998)	(26,331)
Proceeds from sale and maturity of investments	23,339	17,496
Change in accrued interest receivable	(111)	(16)
Change in dividends receivable	(26)	(13)
Change in due from manager	(5)	–
Change in due to manager	5	–
Change in margin on futures contracts	78	(83)
Change in liability for options written	(5)	5
Net cash from operating activities	(23,228)	(8,759)
Cash flows from financing activities		
Proceeds from redeemable securities issued	38,875	14,528
Payments on redemption of redeemable securities	(11,733)	(10,636)
Distributions paid net of reinvestments	(382)	(171)
Net cash from financing activities	26,760	3,721
Net increase (decrease) in cash and cash equivalents	3,532	(5,038)
Cash and cash equivalents at beginning of period	913	5,951
Effect of exchange rate fluctuations on cash and cash equivalents	1	–
Cash and cash equivalents at end of period	4,446	913
Cash	73	248
Cash equivalents	4,373	665
Cash and cash equivalents at end of period	4,446	913
Supplementary disclosures on cash flow from operating activities:		
Dividends received	534	323
Foreign taxes paid	74	42
Interest received	677	414
Interest paid	2	1

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SCHEDULE OF INVESTMENTS

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (US\$ 000s)	Fair Value (US\$ 000s)
BONDS					
407 International Inc. 3.60% 05-21-2047 Callable	Canada	Corporate - Non Convertible	CAD 30,000	23	24
African Development Bank F/R 02-24-2019	Supra - National	n/a	SEK 1,000,000	120	120
AIMCo Realty Investors LP 3.04% 06-01-2028 Callable 2028	Canada	Corporate - Non Convertible	CAD 30,000	23	23
Algonquin Power & Utilities Corp. 4.65% 02-15-2022	Canada	Corporate - Non Convertible	CAD 170,000	138	140
Alibaba Group Holding Ltd. 3.40% 12-06-2027 Callable 2027	China	Corporate - Non Convertible	250,000	249	237
Allied Properties Real Estate Investment Trust 3.93% 11-14-2022	Canada	Corporate - Non Convertible	CAD 26,000	20	21
AltaGas Ltd. 3.98% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	CAD 20,000	16	16
AltaLink LP 3.72% 12-03-2046 Callable MTN	Canada	Corporate - Non Convertible	CAD 153,000	120	123
Amneal Pharmaceuticals LLC Term loan B 1st Lien F/R 03-23-2025	United States	Term Loans	30,000	30	30
Anheuser-Busch InBev Finance Inc. 2.65% 02-01-2021 Callable 2021	Belgium	Corporate - Non Convertible	275,000	278	273
Anheuser-Busch InBev Finance Inc. 3.30% 02-01-2023 Callable 2022	Belgium	Corporate - Non Convertible	30,000	30	30
Anheuser-Busch InBev Finance Inc. 2.60% 05-15-2024 Callable 2024	Belgium	Corporate - Non Convertible	CAD 60,000	45	45
Anheuser-Busch InBev Worldwide Inc. 2.50% 07-15-2022	United States	Corporate - Non Convertible	50,000	48	49
APT Pipelines Ltd. 4.20% 03-23-2025 Callable 2024	Australia	Corporate - Non Convertible	125,000	131	126
Arch Merger Sub Inc. 8.50% 09-15-2025 Callable 2020	United States	Corporate - Non Convertible	20,000	20	19
Argentine Bonos del Tesoro 21.20% 09-19-2018	Argentina	Foreign Governments	ARS 3,300,000	205	162
Asian Development Bank 6.00% 02-24-2021	Supra - National	n/a	INR 5,500,000	87	83
Asian Development Bank 6.45% 08-08-2021	Supra - National	n/a	INR 1,790,000	28	27
Asian Development Bank 5.90% 12-20-2022	Supra - National	n/a	INR 14,100,000	210	210
ASP AMC Merger Sub Inc. 8.00% 05-15-2025 Callable 2020	United States	Corporate - Non Convertible	50,000	50	47
AT&T Inc. 3.825% 11-25-2020	United States	Corporate - Non Convertible	CAD 200,000	167	160
ATS Consolidated Inc. Term Loan B 1st Lien F/R 02-23-2025	United States	Term Loans	10,000	10	10
Aviva PLC 4.50% 05-10-2021	United Kingdom	Corporate - Non Convertible	CAD 40,000	34	32
Bank of America Corp. F/R 02-07-2022 Callable 2021	United States	Corporate - Non Convertible	EUR 200,000	227	249
Bank of America Corp. 3.228% 06-22-2022	United States	Corporate - Non Convertible	CAD 20,000	16	16
Bank of America Corp. F/R 03-15-2023 Callable 2022	United States	Corporate - Non Convertible	CAD 40,000	30	31
Bank of America Corp. F/R 09-20-2025 Callable 2024	United States	Corporate - Non Convertible	CAD 30,000	25	23
Bank of Montreal 2.27% 07-11-2022	Canada	Corporate - Non Convertible	CAD 65,000	51	50
Bank of Montreal 2.70% 09-11-2024 DPNT	Canada	Corporate - Non Convertible	CAD 20,000	16	15
Bank of Montreal 3.32% 06-01-2026	Canada	Corporate - Non Convertible	CAD 20,000	16	16
Bank of Montreal F/R 12-15-2032 Callable 2027	Canada	Corporate - Non Convertible	40,000	40	38
The Bank of Nova Scotia 2.36% 11-08-2022	Canada	Corporate - Non Convertible	CAD 100,000	79	76
The Bank of Nova Scotia 2.29% 06-28-2024	Canada	Corporate - Non Convertible	CAD 20,000	16	15
The Bank of Nova Scotia F/R 04-12-2066 Callable 2022	Canada	Corporate - Non Convertible	50,000	50	48
bclMC Realty Corp. 3.00% 03-31-2027 Callable 2026	Canada	Corporate - Non Convertible	CAD 20,000	15	16
Bell Canada 3.60% 09-29-2027 Callable	Canada	Corporate - Non Convertible	CAD 90,000	72	71
Boardriders Inc. Term Loan B 1st Lien F/R 03-21-2024	United States	Term Loans	30,000	29	30
Brazil Notas do Tesouro Nacional 10.00% 01-01-2027	Brazil	Foreign Governments	BRL 60,000	192	188
Brookfield Renewable Energy Partners ULC 3.752% 06-02-2025 Callable 2025	Canada	Corporate - Non Convertible	CAD 10,000	8	8
Brookfield Renewable Energy Partners ULC 3.63% 01-15-2027 Callable 2026	Canada	Corporate - Non Convertible	CAD 180,000	138	139
Bruce Power LP 3.00% 06-21-2024 Callable 2024	Canada	Corporate - Non Convertible	CAD 70,000	54	54
Bruce Power LP 3.97% 06-23-2026	Canada	Corporate - Non Convertible	CAD 40,000	32	32
BWAY Holding Co. 7.25% 04-15-2025	United States	Corporate - Non Convertible	20,000	20	20



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SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (US\$ 000s)	Fair Value (US\$ 000s)
BONDS (cont'd)					
Calpine Corp. 5.25% 06-01-2026 Callable 2021	United States	Corporate - Non Convertible	40,000	39	38
Camelot Finance SA 7.875% 10-15-2024 Callable 2019	Luxembourg	Corporate - Non Convertible	20,000	20	21
Can Am Construction Inc./Canada Term Loan B 1st Lien F/R 07-01-2024	Canada	Term Loans	29,775	29	30
Canada Goose Inc. Term Loan 1st Lien F/R 12-22-2021	Canada	Term Loans	20,000	20	20
Canadian Imperial Bank of Commerce 2.30% 07-11-2022 DPNT	Canada	Corporate - Non Convertible	CAD 20,000	16	15
Canadian Imperial Bank of Commerce 2.47% 12-05-2022	Canada	Corporate - Non Convertible	CAD 60,000	47	46
Canadian Imperial Bank of Commerce 3.42% 01-26-2026 Callable 2021	Canada	Corporate - Non Convertible	CAD 10,000	8	8
Canadian Imperial Bank of Commerce F/R 04-04-2028 Callable 2023	Canada	Corporate - Non Convertible	CAD 50,000	39	39
Canadian Western Bank 2.74% 06-16-2022 DPNT	Canada	Corporate - Non Convertible	CAD 20,000	15	15
Canadian Western Bank 2.92% 12-15-2022	Canada	Corporate - Non Convertible	CAD 50,000	39	39
Capital Power Corp. 4.28% 09-18-2024 Callable 2024	Canada	Corporate - Non Convertible	CAD 170,000	136	134
Careerbuilder LLC Term Loan 1st Lien F/R 07-31-2023	United States	Term Loans	29,250	28	29
Central 1 Credit Union 2.60% 11-07-2022	Canada	Corporate - Non Convertible	CAD 30,000	23	23
Chartwell Retirement Residences 3.79% 12-11-2023 Callable 2023	Canada	Corporate - Non Convertible	CAD 40,000	30	31
Chassix Inc. Term Loan B 1st Lien F/R 11-10-2023	United States	Term Loans	19,950	20	20
Choice Properties Real Estate Investment Trust 3.01% 03-21-2022 Callable 2022	Canada	Corporate - Non Convertible	CAD 20,000	16	16
Choice Properties Real Estate Investment Trust 3.55% 01-10-2025 Callable 2024	Canada	Corporate - Non Convertible	CAD 20,000	16	16
Choice Properties Real Estate Investment Trust 4.18% 03-08-2028 Callable 2027	Canada	Corporate - Non Convertible	CAD 60,000	47	47
City of Oslo 2.35% 09-04-2024	Norway	Foreign Governments	NOK 3,000,000	373	383
Coca-Cola Femsa SAB de CV 3.88% 11-26-2023	Mexico	Corporate - Non Convertible	150,000	159	154
Comfort Holding LLC Term Loan 1st Lien F/R 02-05-2024	United States	Term Loans	19,800	20	19
Commonwealth of Bahamas 5.75% 01-16-2024	Bahamas	Foreign Governments	210,000	217	218
Commonwealth of Bahamas 6.95% 11-20-2029	Bahamas	Foreign Governments	70,000	80	77
Communications Sales & Leasing Inc. Term Loan B 1st Lien F/R 10-24-2022	United States	Term Loans	43,403	43	42
ConvergeOne Holdings Corp. Term Loan B 1st Lien F/R 06-20-2024	United States	Term Loans	10,918	11	11
Coronado Australian Holdings Pty Ltd. Term Loan B 1st Lien F/R 03-21-2025	United States	Term Loans	15,714	15	16
Coronado Australian Holdings Pty Ltd. Term Loan C 1st Lien F/R 03-21-2025	United States	Term Loans	4,286	4	4
Danske Bank AS F/R 05-22-2020	Denmark	Corporate - Non Convertible	SEK 1,000,000	120	122
Daseke Inc. Term Loan 1st Lien F/R 02-27-2024	United States	Term Loans	29,837	30	30
Digicert Holdings Inc. Term Loan 1st Lien F/R 09-20-2024	United States	Term Loans	50,000	50	51
DNB Boligkreditt AS 2.00% 05-28-2020	Norway	Corporate - Non Convertible	250,000	249	246
Eagle Credit Card Trust 2.147% 09-17-2020	Canada	Corporate - Non Convertible	CAD 100,000	75	77
Eagle Credit Card Trust 2.63% 10-17-2022	Canada	Corporate - Non Convertible	CAD 20,000	16	15
EagleTree-Carbide Acquisition Corp. Term Loan 1st Lien F/R 08-28-2024	United States	Term Loans	29,900	30	30
Enbridge Inc. 4.77% 09-02-2019 Callable	Canada	Corporate - Non Convertible	CAD 300,000	240	240
Enbridge Inc. 3.20% 06-08-2027 Callable 2027	Canada	Corporate - Non Convertible	CAD 20,000	15	15
Enbridge Inc. 3.70% 07-15-2027 Callable 2027	Canada	Corporate - Non Convertible	150,000	153	144
Enbridge Inc. 4.57% 03-11-2044	Canada	Corporate - Non Convertible	CAD 30,000	23	23
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate - Non Convertible	CAD 160,000	129	120



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BONDS (cont'd)					
EnerCare Solutions Inc. 3.38% 02-21-2022 Callable 2022	Canada	Corporate - Non Convertible	CAD 30,000	23	23
EnerCare Solutions Inc. 3.99% 02-21-2024 Callable 2023	Canada	Corporate - Non Convertible	CAD 30,000	23	24
Envigo Holdings Inc. Term Loan B 1st Lien F/R 12-14-2023	United States	Term Loans	20,000	20	20
EPCOR Utilities Inc. 3.55% 11-27-2047 Callable 2047	Canada	Corporate - Non Convertible	CAD 30,000	24	23
European Bank for Reconstruction & Development 6.00% 05-04-2020	Supra - National	n/a	INR 6,000,000	93	92
Exela Intermediate LLC 10.00% 07-15-2023 Callable 2020	United States	Corporate - Non Convertible	50,000	50	51
Fairfax Financial Holdings Ltd. 8.30% 04-15-2026	Canada	Corporate - Non Convertible	40,000	50	49
Fairfax Financial Holdings Ltd. 4.25% 12-06-2027 Callable 2027	Canada	Corporate - Non Convertible	CAD 50,000	39	38
Fédération des Caisses Desjardins du Québec 2.09% 01-17-2022	Canada	Corporate - Non Convertible	CAD 70,000	54	53
Fédération des Caisses Desjardins du Québec 2.39% 08-25-2022	Canada	Corporate - Non Convertible	CAD 60,000	48	46
Federative Republic of Brazil 5.63% 02-21-2047	Brazil	Foreign Governments	200,000	204	195
Fortified Trust 2.16% 10-23-2020	Canada	Corporate - Non Convertible	CAD 90,000	71	69
Fortified Trust 1.67% 07-23-2021	Canada	Corporate - Non Convertible	CAD 40,000	31	30
Fresenius US Finance II Inc. 4.25% 02-01-2021	Germany	Corporate - Non Convertible	125,000	131	127
FXI Holdings Inc. 7.88% 11-01-2024 Callable 2020	United States	Corporate - Non Convertible	10,000	10	10
Gaz Metro Inc. 1.52% 05-25-2020	Canada	Corporate - Non Convertible	CAD 10,000	8	8
General Electric Co. 8.35% 09-03-2022	United States	Corporate - Non Convertible	MXN 1,000,000	56	55
General Motors Financial of Canada Ltd. 2.60% 06-01-2022	United States	Corporate - Non Convertible	CAD 30,000	22	23
Gibson Energy Inc. 5.25% 07-15-2024 Callable 2020 REGS	Canada	Corporate - Non Convertible	CAD 40,000	32	31
The Goldman Sachs Group Inc. 5.20% 12-17-2019	United States	Corporate - Non Convertible	NZD 100,000	77	75
The Goldman Sachs Group Inc. F/R 10-28-2027 Callable 2026	United States	Corporate - Non Convertible	200,000	208	210
Government of Bermuda 4.138% 01-03-2023	Bermuda	Foreign Governments	200,000	207	207
Government of Bermuda 4.854% 02-06-2024	Bermuda	Foreign Governments	200,000	218	211
Government of Bermuda 3.72% 01-25-2027 Callable 2026	Bermuda	Foreign Governments	550,000	547	538
Government of Canada 3.25% 06-01-2021	Canada	Federal Government	CAD 20,000	16	16
Government of Canada 2.50% 06-01-2024	Canada	Federal Government	CAD 50,000	40	40
Government of Canada 1.00% 06-01-2027	Canada	Federal Government	CAD 80,000	57	56
Government of Canada 2.75% 12-01-2048	Canada	Federal Government	CAD 100,000	85	87
Government of Cayman Islands 5.95% 11-24-2019	Cayman Islands	Foreign Governments	100,000	107	105
Government of Dominican Republic 7.50% 05-06-2021	Dominican Republic	Foreign Governments	200,000	220	214
Government of Ireland 1.00% 05-15-2026	Ireland	Foreign Governments	EUR 100,000	107	127
Government of Japan 0.10% 02-15-2019	Japan	Foreign Governments	JPY 90,000,000	853	850
Government of Russia 7.05% 01-19-2028	Russia	Foreign Governments	RUB 18,000,000	319	317
Government of Turkey 9.40% 07-08-2020	Turkey	Foreign Governments	TRL 1,150,000	293	268
Government of Turkey 11.00% 02-24-2027	Turkey	Foreign Governments	TRL 600,000	172	141
Granite REIT Holdings LP 3.87% 11-30-2023 Callable 2023	Canada	Corporate - Non Convertible	CAD 10,000	8	8
Green Plains Inc. Term Loan B 1st Lien F/R 08-29-2023	United States	Term Loans	19,900	20	20
Greenhill & Co. Inc. Term Loan B 1st Lien F/R 10-12-2022	United States	Term Loans	9,875	10	10
H&R Real Estate Investment Trust 2.92% 05-06-2022	Canada	Corporate - Non Convertible	CAD 50,000	39	38
H&R Real Estate Investment Trust 3.42% 01-23-2023 Callable 2022	Canada	Corporate - Non Convertible	CAD 20,000	16	16
H&R Real Estate Investment Trust 3.37% 01-30-2024 Callable 2023	Canada	Corporate - Non Convertible	CAD 30,000	24	23
Heathrow Funding Ltd. 4.00% 07-03-2019	United Kingdom	Corporate - Non Convertible	CAD 300,000	235	238
Heathrow Funding Ltd. 4.875% 07-15-2021	United Kingdom	Corporate - Non Convertible	100,000	110	106
Heathrow Funding Ltd. 3.40% 03-08-2028	United Kingdom	Corporate - Non Convertible	CAD 60,000	47	47
Hornblower Sub LLC Term Loan 1st Lien F/R 04-28-2025	United States	Term Loans	20,000	20	20
HSBC Bank Canada 2.54% 01-31-2023	Canada	Corporate - Non Convertible	CAD 50,000	39	38



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BONDS (cont'd)					
Hudson River Trading LLC Term Loan 1st Lien F/R 03-20-2025	United States	Term Loans	20,000	20	20
Hydro One Inc. 3.72% 11-18-2047	Canada	Corporate - Non Convertible	CAD 20,000	15	16
Hyster-Yale Group Inc. Term Loan B 1st Lien F/R 05-30-2023	United States	Term Loans	19,500	19	20
I-Logic Technologies Bidco Ltd. Term Loan B 1st Lien F/R 12-20-2024	United States	Term Loans	9,975	10	10
Imagine! Print Solutions Inc. Term Loan 1st Lien F/R 06-21-2022	United States	Term Loans	99,748	97	94
Impala Private Holdings II LLC Term Loan 1st Lien F/R 11-10-2024	United States	Term Loans	139,650	139	140
Inter Pipeline Ltd. 2.73% 04-18-2024 Callable 2024	Canada	Corporate - Non Convertible	CAD 30,000	22	23
Inter Pipeline Ltd. 3.48% 12-16-2026 Callable 2026	Canada	Corporate - Non Convertible	CAD 10,000	8	8
Interior Logic Group Inc. Term Loan B 1st Lien F/R 03-01-2024	United States	Term Loans	47,500	46	48
International Finance Corp. 6.30% 11-25-2024	Supra - National	n/a	INR 25,900,000	397	393
International Finance Corp. 7.00% 07-20-2027	Supra - National	n/a	MXN 17,400,000	854	917
International Finance Corp. 8.38% 05-31-2029	Supra - National	n/a	MXN 4,000,000	225	227
iQor US Inc. Term Loan B 1st Lien F/R 04-01-2021	United States	Term Loans	82,180	76	83
Itron Inc. 5.00% 01-15-2026 Callable 2021	United States	Corporate - Non Convertible	20,000	20	20
Jane Street Group LLC Term Loan B 1st Lien F/R 08-25-2022	United States	Term Loans	29,750	30	30
KEMET Corp. Term Loan B 1st Lien F/R 04-26-2024	United States	Term Loans	28,875	28	29
KFW 3.75% 05-29-2020	Germany	Foreign Governments	NZD 250,000	180	186
Kommunalbanken AS F/R 05-26-2021	Norway	Foreign Governments	NZD 100,000	71	73
Kommunalbanken AS 2.13% 02-11-2025	Norway	Foreign Governments	200,000	196	190
The Korea Development Bank 5.13% 11-13-2020	South Korea	Foreign Governments	NZD 200,000	143	150
Kraft Heinz Foods Co. 3.00% 06-01-2026 Callable 2026	United States	Corporate - Non Convertible	75,000	72	69
Landshypotek Bank AB F/R 10-25-2021	Sweden	Corporate - Non Convertible	SEK 2,000,000	244	245
Laurentian Bank of Canada F/R 10-22-2019	Canada	Corporate - Non Convertible	CAD 50,000	40	39
Laurentian Bank of Canada 3.00% 09-12-2022	Canada	Corporate - Non Convertible	CAD 60,000	49	46
LifeMiles Ltd. Term Loan B 1st Lien F/R 08-18-2022	Colombia	Term Loans	9,750	10	10
Manulife Bank of Canada 2.08% 05-26-2022	Canada	Corporate - Non Convertible	CAD 50,000	37	38
Manulife Bank of Canada 2.84% 01-12-2023	Canada	Corporate - Non Convertible	CAD 30,000	24	23
Manulife Financial Corp. F/R 08-20-2029 Callable 2024	Canada	Corporate - Non Convertible	CAD 60,000	47	46
Mattamy Group Corp. 6.50% 10-01-2025 Callable 2020	Canada	Corporate - Non Convertible	CAD 15,000	12	12
McAfee LLC Term Loan B 1st Lien F/R 09-30-2024	United States	Term Loans	49,750	49	50
McDonald's Corp. 3.13% 03-04-2025 Callable 2025	United States	Corporate - Non Convertible	CAD 80,000	65	62
Meredith Corp. Term Loan B 1st Lien F/R 01-18-2025	United States	Term Loans	30,000	30	30
Metro Inc. 2.68% 12-05-2022 Callable 2022	Canada	Corporate - Non Convertible	CAD 20,000	16	15
Metro Inc. 3.39% 12-06-2027 Callable 2027	Canada	Corporate - Non Convertible	CAD 30,000	23	23
Mexico City Airport Trust 3.88% 04-30-2028 Callable 2028	Mexico	Corporate - Non Convertible	200,000	200	185
Mitsubishi UFJ Financial Group Inc. 2.67% 07-25-2022	Japan	Corporate - Non Convertible	85,000	85	83
MND Holdings III Corp. Term Loan 1st Lien F/R 06-19-2024	United States	Term Loans	9,950	10	10
Molson Coors International LP 2.25% 09-18-2018	United States	Corporate - Non Convertible	CAD 85,000	61	66
Molson Coors International LP 2.84% 07-15-2023 Callable 2023	United States	Corporate - Non Convertible	CAD 170,000	134	129
Mondelez International Inc. 3.25% 03-07-2025 Callable 2025	United States	Corporate - Non Convertible	CAD 50,000	38	39
Morgan Stanley 3.13% 08-05-2021	United States	Corporate - Non Convertible	CAD 200,000	164	157
Morgan Stanley 3.00% 02-07-2024	United States	Corporate - Non Convertible	CAD 60,000	46	46
Neenah Foundry Co. Term Loan B 1st Lien F/R 12-08-2022	United States	Term Loans	10,000	10	10
New Red Finance Inc. 5.00% 10-15-2025 Callable 2020	Canada	Corporate - Non Convertible	10,000	10	10
Newell Brands Inc. 4.20% 04-01-2026 Callable 2026	United States	Corporate - Non Convertible	20,000	20	20
Nykredit Realkredit AS F/R 07-01-2019	Denmark	Corporate - Non Convertible	SEK 2,000,000	247	242
Ocean Bidco Inc. Term Loan B 1st Lien F/R 03-02-2025	United States	Term Loans	10,000	10	10



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OCI Beaumont LLC Term Loan B 1st Lien F/R 02-16-2025	United States	Term Loans	10,000	10	10
Office Depot Inc. Term Loan B 1st Lien F/R 11-08-2022	United States	Term Loans	19,500	19	20
OMERS Realty Corp. 3.24% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	CAD 70,000	57	55
Ontario Power Generation Inc. 3.32% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	CAD 40,000	32	31
OPB Finance Trust 2.98% 01-25-2027	Canada	Provincial Governments	CAD 30,000	23	23
Osteon Merger Sub Inc. Term Loan B 1st Lien F/R 02-06-2025	United States	Term Loans	10,000	10	10
Paradigm Acquisition Corp. Term Loan 1st Lien F/R 10-11-2024	United States	Term Loans	48,753	49	49
Parkland Fuel Corp. 5.75% 09-16-2024 Callable 2019	Canada	Corporate - Non Convertible	CAD 50,000	38	39
Parkland Fuel Corp. 6.00% 04-01-2026 Callable 2021	Canada	Corporate - Non Convertible	10,000	10	10
The Pasha Group Term Loan B 1st Lien F/R 12-13-2022	United States	Term Loans	19,375	19	20
Pembina Pipeline Corp. 2.99% 01-22-2024 Callable 2023	Canada	Corporate - Non Convertible	CAD 123,000	94	94
Pembina Pipeline Corp. 4.02% 03-27-2028 Callable 2027	Canada	Corporate - Non Convertible	CAD 100,000	78	79
PepsiCo Inc. 2.50% 11-01-2022	United States	Corporate - Non Convertible	GBP 100,000	151	147
PepsiCo Inc. 3.00% 10-15-2027 Callable 2027	United States	Corporate - Non Convertible	225,000	225	216
Petroleos De Venezuela SA 6.00% 05-16-2024	Venezuela	Corporate - Non Convertible	41,000	10	11
Pisces Midco Inc. Term Loan B 1st Lien F/R 03-29-2025	United States	Term Loans	20,000	20	20
Pisces Midco Inc. 8.00% 04-15-2026 Callable 2021	United States	Corporate - Non Convertible	10,000	10	10
PNI Canada Acquireco Corp. Term Loan B 1st Lien F/R 08-23-2022	Canada	Term Loans	9,950	9	10
Polycorn Inc. Term Loan 1st Lien F/R 09-27-2023	United States	Term Loans	794	1	1
Prospect Medical Holdings Inc. Term Loan B 1st Lien F/R 02-15-2024	United States	Term Loans	30,000	29	30
Province of Newfoundland 3.70% 10-17-2048	Canada	Provincial Governments	CAD 50,000	43	42
Province of Ontario 1.875% 05-21-2020	Canada	Provincial Governments	100,000	101	98
Province of Ontario 2.60% 09-08-2023	Canada	Provincial Governments	CAD 10,000	8	8
Province of Ontario 2.40% 06-02-2026	Canada	Provincial Governments	CAD 40,000	32	30
Province of Ontario 2.60% 06-02-2027	Canada	Provincial Governments	CAD 60,000	47	46
PS HoldCo LLC Term Loan 1st Lien F/R 03-02-2025	United States	Term Loans	10,000	10	10
PSC Industrial Outsourcing LP Term Loan B 1st Lien F/R 10-05-2024	United States	Term Loans	49,875	49	50
QCP SNF West 8.125% 11-01-2023 Callable 2019	United States	Corporate - Non Convertible	20,000	20	21
Queensland Treasury Corp. 2.75% 08-20-2027	Australia	Foreign Governments	AUD 800,000	605	598
Rackspace Hosting Inc. 8.63% 11-15-2024 Callable 2019	United States	Corporate - Non Convertible	30,000	30	30
Realkredit Danmark AS 1.00% 04-01-2022	Denmark	Corporate - Non Convertible	DKK 2,150,000	323	368
Red Ventures LLC Term Loan B 1st Lien F/R 11-08-2024	United States	Term Loans	19,900	20	20
Reliance Intermediate Holdings LP 6.50% 04-01-2023 Callable 2018	Canada	Corporate - Non Convertible	10,000	11	10
Reliance LP 3.84% 03-15-2025 Callable 2025	Canada	Corporate - Non Convertible	CAD 40,000	31	31
Republic of Argentina 4.63% 01-11-2023	Argentina	Foreign Governments	100,000	96	96
Republic of Argentina 5.88% 01-11-2028	Argentina	Foreign Governments	190,000	179	179
Republic of Argentina 6.88% 01-11-2048	Argentina	Foreign Governments	35,000	35	32
Republic of Poland F/R 01-25-2026	Poland	Foreign Governments	PLN 2,850,000	774	818
Research Now Group Inc. Term Loan 1st Lien F/R 12-20-2024	United States	Term Loans	29,925	28	30
Rite Aid Corp. 7.70% 02-15-2027	United States	Corporate - Non Convertible	125,000	107	106
Rogers Communications Inc. 4.00% 06-06-2022	Canada	Corporate - Non Convertible	CAD 200,000	171	163
Royal Bank of Canada 2.00% 03-21-2022	Canada	Corporate - Non Convertible	CAD 70,000	52	53
Royal Bank of Canada 2.36% 12-05-2022	Canada	Corporate - Non Convertible	CAD 40,000	31	31
Royal Bank of Canada 2.33% 12-05-2023 DPNT	Canada	Corporate - Non Convertible	CAD 10,000	7	8
Royal Bank of Canada 4.65% 01-27-2026 GMTN	Canada	Corporate - Non Convertible	20,000	21	21
Sigma Bidco BV Term Loan B 1st Lien F/R 03-07-2025	Netherlands	Term Loans	EUR 20,000	25	24



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BONDS (cont'd)					
Sigma US Corp. Term Loan B 1st Lien F/R 03-06-2025	Netherlands	Term Loans	20,000	20	20
Skandiabanken Aktiebolag F/R 03-02-2022	Sweden	Corporate - Non Convertible	SEK 2,000,000	251	244
SmartCentres Real Estate Investment Trust 3.83% 12-21-2027 Callable 2027	Canada	Corporate - Non Convertible	CAD 10,000	8	8
SNC-Lavalin Group Inc. 2.69% 11-24-2020	Canada	Corporate - Non Convertible	CAD 10,000	8	8
SNC-Lavalin Group Inc. 3.24% 03-02-2023 Callable 2023	Canada	Corporate - Non Convertible	CAD 30,000	23	23
Source Energy Services Canada LP 10.50% 12-15-2021 Callable 2018	Canada	Corporate - Non Convertible	CAD 41,000	31	35
Staples Inc. Term Loan 1st Lien F/R 08-15-2024	United States	Term Loans	19,950	20	20
Stepstone Group LP Term Loan B 1st Lien F/R 03-19-2025	United States	Term Loans	10,000	10	10
Sun Life Financial Inc. F/R 02-19-2026 Callable 2021	Canada	Corporate - Non Convertible	CAD 20,000	16	16
Sun Life Financial Inc. F/R 11-23-2027 Callable 2022	Canada	Corporate - Non Convertible	CAD 30,000	23	23
Superior Plus LP 5.25% 02-27-2024 Callable 2020	Canada	Corporate - Non Convertible	CAD 20,000	16	16
Sydney Airport Finance Co. Pty. Ltd. 3.625% 04-28-2026 Callable 2026	Australia	Corporate - Non Convertible	95,000	96	93
Talen Energy Supply LLC 9.50% 07-15-2022 Callable 2020	United States	Corporate - Non Convertible	50,000	45	49
Telefonica Emisiones SAU 3.987% 01-23-2023	Spain	Corporate - Non Convertible	EUR 100,000	126	143
TELUS Corp. 3.63% 03-01-2028 Callable 2027	Canada	Corporate - Non Convertible	CAD 20,000	16	16
TerraForm Power Operating LLC 5.00% 01-31-2028 Callable 2027	United States	Corporate - Non Convertible	10,000	10	10
Teva Pharmaceutical Finance Netherlands III BV 3.15% 10-01-2026 Callable	Israel	Corporate - Non Convertible	15,000	12	12
Thomson Reuters Corp. 4.35% 09-30-2020	United States	Corporate - Non Convertible	CAD 200,000	171	162
Titan Acquisition Ltd. Term Loan 1st Lien F/R 03-16-2025	United Kingdom	Term Loans	20,000	20	20
Titan Acquisition Ltd. 7.75% 04-15-2026 Callable 2021	United Kingdom	Corporate - Non Convertible	30,000	30	30
TMX Group Ltd. 2.30% 12-11-2024 Callable 2024	Canada	Corporate - Non Convertible	CAD 30,000	23	23
The Toronto-Dominion Bank 1.91% 07-18-2023 DPNT	Canada	Corporate - Non Convertible	CAD 30,000	23	22
The Toronto-Dominion Bank F/R 07-25-2029 Callable 2024	Canada	Corporate - Non Convertible	CAD 10,000	8	8
Tortoise Borrower LLC Term Loan 1st Lien F/R 11-20-2024	United States	Term Loans	75,000	75	76
TransCanada Pipelines Ltd. 3.125% 01-15-2019	Canada	Corporate - Non Convertible	20,000	20	20
TransCanada PipeLines Ltd. 3.30% 07-17-2025 Callable 2025 MTN	Canada	Corporate - Non Convertible	CAD 150,000	121	118
TransCanada Pipelines Ltd. 3.39% 03-15-2028 Callable 2027	Canada	Corporate - Non Convertible	CAD 50,000	41	39
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	CAD 50,000	37	38
Traverse Midstream Partners LLC Term Loan B 1st Lien F/R 09-21-2024	United States	Term Loans	10,000	10	10
Treasury Corp. of Victoria 3.00% 10-20-2028	Australia	Foreign Governments	AUD 600,000	460	460
Trico Products Corp. Term Loan 1st Lien F/R 02-02-2024	United States	Term Loans	20,000	20	20
TricorBraun Inc. (KRAIND) Term Loan 1st Lien F/R 11-30-2023	United States	Term Loans	89,773	89	90
TricorBraun Inc. (KRAIND) Term Loan Delayed Draw 1st Lien F/R 11-28-2023	United States	Term Loans	9,045	9	9
Uber Technologies Inc. Term Loan 1st Lien F/R 03-21-2025	United States	Term Loans	30,000	30	30
Uber Technologies Inc. Term Loan B 1st Lien F/R 07-13-2023	United States	Term Loans	29,450	30	30
Union Gas Ltd. 3.59% 11-22-2047 Callable 2047	Canada	Corporate - Non Convertible	CAD 20,000	16	16
United Kingdom Treasury 4.25% 12-07-2027	United Kingdom	Foreign Governments	GBP 375,000	641	665
United States Treasury Inflation Indexed 0.13% 01-15-2023	United States	Foreign Governments	500,000	526	528
United States Treasury Inflation Indexed 2.00% 01-15-2026	United States	Foreign Governments	440,000	601	607
United States Treasury Inflation Indexed 0.38% 07-15-2027	United States	Foreign Governments	1,175,000	1,182	1,163
United States Treasury Inflation Indexed 0.89% 02-15-2047	United States	Foreign Governments	275,000	283	280
United States Treasury 1.88% 02-28-2022	United States	Foreign Governments	200,000	200	195
United States Treasury 2.13% 02-29-2024	United States	Foreign Governments	350,000	349	340



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United States Treasury 2.75% 02-15-2028	United States	Foreign Governments	10,000	10	10
Ventas Canada Finance Ltd. 2.55% 03-15-2023 Callable 2023	United States	Corporate - Non Convertible	CAD 185,000	139	140
Videotron Ltee 5.75% 01-15-2026 Callable 2020	Canada	Corporate - Non Convertible	CAD 10,000	8	8
Vistage Worldwide Inc. Term Loan 1st Lien F/R 02-01-2025	United States	Term Loans	10,000	10	10
Volkswagen Financial Services NV 1.75% 04-17-2020	Germany	Corporate - Non Convertible	GBP 50,000	78	70
W/S Packaging Holdings Inc. 9.00% 04-15-2023 Callable 2020	United States	Corporate - Non Convertible	20,000	20	20
Wells Fargo & Co. 2.09% 04-25-2022	United States	Corporate - Non Convertible	CAD 200,000	157	150
Wells Fargo & Co. 2.98% 05-19-2026	United States	Corporate - Non Convertible	CAD 95,000	74	71
Werner FinCo LP Term Loan 1st Lien F/R 06-23-2024	United States	Term Loans	100,000	100	101
Williams Scotsman International Inc. 7.88% 12-15-2022 Callable 2019	United States	Corporate - Non Convertible	30,000	30	31
YRC Worldwide Inc. Term Loan 1st Lien F/R 07-21-2022	United States	Term Loans	15,752	16	16
Zotec Partners LLC Term Loan 1st Lien F/R 02-09-2024	United States	Term Loans	20,000	20	20
Total bonds				25,438	25,351
EQUITIES					
AbbVie Inc.	United States	Health Care	2,800	192	265
Admiral Group PLC	United Kingdom	Financials	11,400	278	295
Aena SA	Spain	Industrials	2,000	363	403
Air Liquide SA	France	Materials	4,880	536	598
Allergan PLC	United States	Health Care	3,200	617	539
AltaGas Ltd. Pfd. Series K	Canada	Energy	1,336	26	26
Altria Group Inc.	United States	Consumer Staples	5,500	336	343
Apple Inc.	United States	Information Technology	2,100	277	352
Atlantia SPA	Italy	Industrials	14,600	412	453
Atlas Copco AB A	Sweden	Industrials	8,400	289	364
B3 SA- Brasil Bolsa Balcao	Brazil	Financials	34,955	230	283
Bayer AG	Germany	Health Care	4,800	553	543
Becton, Dickinson and Co.	United States	Health Care	3,000	553	650
Brenntag AG	Germany	Industrials	4,900	271	292
British American Tobacco PLC	United Kingdom	Consumer Staples	8,700	538	505
Broadcom Ltd.	United States	Information Technology	2,600	529	613
Brookfield Asset Management Inc. Pfd. Series 46	Canada	Real Estate	1,430	27	29
Brookfield Asset Management Inc. Pfd. Series 48	Canada	Real Estate	1,129	23	22
Brookfield Renewable Partners LP Pfd. Series 11	Canada	Utilities	2,377	45	46
China Mobile Ltd.	China	Telecommunication Services	23,500	270	215
Cielo SA	Brazil	Information Technology	24,000	185	150
Cisco Systems Inc.	United States	Information Technology	8,500	317	365
CME Group Inc.	United States	Financials	3,200	384	518
Compagnie Financiere Richemont SA	Switzerland	Consumer Discretionary	3,900	326	350
Deutsche Boerse AG	Germany	Financials	4,700	423	640
Diageo PLC	United Kingdom	Consumer Staples	5,800	178	196
Equifax Inc.	United States	Industrials	3,100	319	365
Fanuc Corp.	Japan	Industrials	1,200	222	305
General Electric Co.	United States	Industrials	17,400	459	235
The Goldman Sachs Group Inc.	United States	Financials	1,100	296	277
Harley-Davidson Inc.	United States	Consumer Discretionary	6,400	314	274
Heineken Holding NV A	Netherlands	Consumer Staples	4,300	381	443
Honeywell International Inc.	United States	Industrials	2,000	247	289



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As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (US\$ 000s)	Fair Value (US\$ 000s)
EQUITIES (cont'd)					
HSBC Holdings PLC	United Kingdom	Financials	49,000	429	458
Japan Exchange Group Inc.	Japan	Financials	21,500	347	399
Jardine Matheson Holdings Ltd.	Hong Kong	Industrials	2,700	166	167
Johnson & Johnson	United States	Health Care	3,900	467	500
Johnson Controls International PLC	United States	Industrials	9,500	385	335
JPMorgan Chase & Co.	United States	Financials	5,800	482	638
Kao Corp.	Japan	Consumer Staples	3,600	228	271
Kinder Morgan Inc.	United States	Energy	30,800	597	464
Koninklijke Philips NV	Netherlands	Health Care	14,287	494	549
The Kraft Heinz Co.	United States	Consumer Staples	3,400	263	212
Lockheed Martin Corp.	United States	Industrials	1,200	307	406
LogMeIn Inc.	United States	Information Technology	1,100	136	127
Marine Harvest ASA	Norway	Consumer Staples	14,500	263	291
McDonald's Corp.	United States	Consumer Discretionary	1,900	217	297
Micro Focus International PLC	United Kingdom	Information Technology	26,762	682	374
Microsoft Corp.	United States	Information Technology	7,700	445	703
Moody's Corp.	United States	Financials	2,600	293	419
Nasdaq Inc.	United States	Financials	3,800	276	328
Nestlé SA Reg.	Switzerland	Consumer Staples	7,200	577	570
New Oriental Education & Technology Group Inc. ADR	China	Consumer Discretionary	2,500	211	219
Nidec Corp.	Japan	Industrials	1,600	205	247
Nike Inc. Class B	United States	Consumer Discretionary	4,200	220	279
Novo Nordisk AS B	Denmark	Health Care	7,900	306	389
Oaktree Capital Group LLC	United States	Financials	8,900	428	352
Occidental Petroleum Corp.	United States	Energy	5,900	414	383
Oracle Corp.	United States	Information Technology	10,800	485	494
Pernod Ricard SA	France	Consumer Staples	1,200	159	200
Philip Morris International Inc.	United States	Consumer Staples	4,800	471	477
Roche Holding AG Genusscheine	Switzerland	Health Care	1,600	427	367
Sabre Corp.	United States	Information Technology	25,466	516	546
Safran SA	France	Industrials	6,500	550	689
Sands China Ltd.	Hong Kong	Consumer Discretionary	69,000	302	375
SAP AG	Germany	Information Technology	3,700	335	387
Schindler Holding AG PC	Switzerland	Industrials	1,300	244	280
Schlumberger Ltd.	United States	Energy	4,800	370	311
The Sherwin-Williams Co.	United States	Materials	1,000	319	392
Source Energy Services Ltd.	Canada	Energy	385	3	1
Starbucks Corp.	United States	Consumer Discretionary	6,700	383	388
Taiwan Semiconductor Manufacturing Co. Ltd.	Taiwan	Information Technology	46,200	373	387
Tencent Holdings Ltd.	China	Information Technology	5,500	183	293
Texas Instruments Inc.	United States	Information Technology	3,300	328	343
TransAlta Corp. Pfd. Series A	Canada	Utilities	1,935	20	22
TransCanada Corp. Pfd. Series 15	Canada	Energy	3,110	58	63
Unilever NV CVA	United Kingdom	Consumer Staples	6,000	298	339
Visa Inc. Class A	United States	Information Technology	3,100	268	371
Wells Fargo & Co.	United States	Financials	10,100	527	529
Total equities				25,873	27,874



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As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (US\$ 000s)	Fair Value (US\$ 000s)
EXCHANGE-TRADED FUNDS/NOTES					
Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged)	Canada	Exchange-Traded Funds/Notes	4,692	373	358
Total exchange-traded funds/notes				373	358
MUTUAL FUNDS					
Mackenzie International Dividend Fund Series R	Canada	Mutual Funds	19,285	147	178
Mackenzie Unconstrained Fixed Income Fund Series R	Canada	Mutual Funds	6,238	47	49
Total mutual funds				194	227
Transaction costs				(63)	—
Total investments				51,815	53,810
Derivative instruments (see schedule of derivative instruments)					(87)
Cash and cash equivalents					4,446
Other assets less liabilities					(539)
Total net assets					57,630



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SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2018	
Portfolio Allocation	% of NAV
Equities	48.4
Bonds	43.9
<i>Bonds</i>	44.0
<i>Short futures</i>	(0.1)
Cash and short-term investments	7.7
Exchange-traded funds/notes	0.6
Mutual funds	0.4
Other assets (liabilities)	(1.0)

Regional Allocation	
	% of NAV
United States	40.9
Canada	9.0
Other	8.0
Cash and short-term investments	7.7
United Kingdom	5.9
Other Europe	5.2
Germany	3.9
Japan	3.7
Switzerland	2.7
France	2.6
Australia	2.2
Norway	2.1
Denmark	1.9
Netherlands	1.8
Bermuda	1.7
China	1.7
Other assets (liabilities)	(1.0)

Sector Allocation	
	% of NAV
Foreign government bonds	18.8
Corporate bonds	17.8
Information technology	9.5
Financials	9.0
Industrials	8.4
Cash and short-term investments	7.7
Consumer staples	6.7
Health care	6.6
Other	5.9
Consumer discretionary	3.8
Supra-national bonds	3.6
Term loans	3.2
Other assets (liabilities)	(1.0)

March 31, 2017	
Portfolio Allocation	% of NAV
Equities	48.8
Bonds	47.5
<i>Bonds</i>	46.3
<i>Long futures</i>	1.1
<i>Purchased options</i>	0.1
<i>Written options</i>	(0.0)
<i>Short futures</i>	(0.0)
Cash and short-term investments	2.0
Other assets (liabilities)	1.0
Mutual funds	0.7

Regional Allocation	
	% of NAV
United States	41.8
Canada	7.9
Other Europe	6.7
Other	6.3
Other Asia	5.2
France	4.6
United Kingdom	4.2
Mexico	4.1
Denmark	3.6
Germany	3.5
Switzerland	3.1
Netherlands	2.3
Cash and short-term investments	2.0
Poland	1.9
Bahamas	1.8
Other assets (liabilities)	1.0

Sector Allocation	
	% of NAV
Foreign government bonds	24.8
Corporate bonds	15.3
Other	12.3
Industrials	9.0
Information technology	8.6
Financials	8.1
Consumer staples	7.3
Health care	7.0
Term loans	4.6
Cash and short-term investments	2.0
Other assets (liabilities)	1.0



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SCHEDULE OF DERIVATIVE INSTRUMENTS

As at March 31, 2018

Schedule of Futures Contracts

Number of Contracts	Type of Contract	Expiration Date	Average Rate of Contracts (\$)	Notional Value* (US\$ 000s)	Unrealized (Losses) (US\$ 000s)
(3)	Euro-BOBL Futures June 2018	Jun. 7, 2018	156.58 EUR	(589)	(11)
(7)	10 Year Swedish Government Bond Futures June 2018	Jun. 14, 2018	149.61 SEK	(1,265)	(10)
(4)	CME Ultra Term United States Treasury Bond Futures June 2018	Jun. 20, 2018	154.63 USD	(642)	(23)
Unrealized (Losses)				(2,496)	(44)
Total futures contracts				(2,496)	(44)

*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 (US\$ 000s)	Current Fair Value (US\$ 000s)	Unrealized Gains (Losses) (US\$ 000s)
AA	12 British pound	(17) U.S. dollar	Apr. 5, 2018	17	17	–
AA	235 U.S. dollar	(1,923) Swedish krona	Apr. 5, 2018	(235)	(231)	4
AA	259 U.S. dollar	(242) Swiss franc	Apr. 5, 2018	(259)	(254)	5
A	1,580 Mexican peso	(84) U.S. dollar	Apr. 6, 2018	84	87	3
A	7,133 Mexican peso	(375) U.S. dollar	Apr. 6, 2018	375	392	17
AA	9 British pound	(12) U.S. dollar	Apr. 11, 2018	12	12	–
AA	304 U.S. dollar	(2,500) Swedish krona	Apr. 18, 2018	(304)	(300)	4
AA	125 U.S. dollar	(1,010) Swedish krona	Apr. 18, 2018	(125)	(121)	4
AA	383 U.S. dollar	(3,000) Norwegian krone	Apr. 20, 2018	(383)	(383)	–
AA	311 U.S. dollar	(250) Euro	Apr. 20, 2018	(311)	(308)	3
AA	89 U.S. dollar	(72) Euro	Apr. 20, 2018	(89)	(88)	1
A	434 U.S. dollar	(348) Euro	Apr. 27, 2018	(434)	(429)	5
A	180 U.S. dollar	(230) Australian dollar	May 9, 2018	(180)	(177)	3
A	333 U.S. dollar	(430) Australian dollar	May 9, 2018	(333)	(331)	2
A	219 U.S. dollar	(283) Australian dollar	May 9, 2018	(219)	(217)	2
AA	146 U.S. dollar	(200) New Zealand dollar	Jun. 13, 2018	(146)	(145)	1
AA	333 U.S. dollar	(430) Australian dollar	Jun. 20, 2018	(333)	(330)	3
AA	341 U.S. dollar	(35,730) Japanese yen	Jun. 20, 2018	(341)	(338)	3
AA	376 U.S. dollar	(2,240) Danish krone	Jun. 22, 2018	(376)	(372)	4
AA	229 U.S. dollar	(160) British pound	Jul. 11, 2018	(229)	(226)	3
AA	240 U.S. dollar	(1,950) Swedish krona	Jul. 18, 2018	(240)	(235)	5
Unrealized Gains						72
AA	133 Australian dollar	(104) U.S. dollar	Apr. 5, 2018	104	102	(2)
AA	9 Canadian dollar	(7) U.S. dollar	Apr. 5, 2018	7	7	–
AA	124 Euro	(154) U.S. dollar	Apr. 5, 2018	154	152	(2)
AA	2,546 Japanese yen	(24) U.S. dollar	Apr. 5, 2018	24	24	–
AA	53 New Zealand dollar	(39) U.S. dollar	Apr. 5, 2018	39	39	–
AA	669 Norwegian krone	(86) U.S. dollar	Apr. 5, 2018	86	85	(1)
A	728 U.S. dollar	(14,180) Mexican peso	Apr. 6, 2018	(728)	(779)	(51)
AA	647 U.S. dollar	(475) British pound	Apr. 11, 2018	(647)	(667)	(20)
AA	250 Euro	(312) U.S. dollar	Apr. 20, 2018	312	308	(4)
AA	623 U.S. dollar	(11,865) Mexican peso	May 11, 2018	(623)	(649)	(26)
AA	466 U.S. dollar	(600) Canadian dollar	Jun. 15, 2018	(466)	(467)	(1)
AA	5,208 U.S. dollar	(6,705) Canadian dollar	Jun. 15, 2018	(5,208)	(5,211)	(3)



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SCHEDULE OF DERIVATIVE INSTRUMENTS (cont'd)

As at March 31, 2018

Schedule of Forward Currency Contracts (cont'd)

Counterparty Credit Rating	Bought (\$ 000s)		Sold (\$ 000s)		Settlement Date	Contract Cost (US\$ 000s)	Current Fair Value (US\$ 000s)	Unrealized (Losses) (US\$ 000s)
AA	512	U.S. dollar	(54,400)	Japanese yen	Jun. 20, 2018	(512)	(515)	(3)
A	228	U.S. dollar	(4,235)	Mexican peso	Jul. 13, 2018	(228)	(230)	(2)
Unrealized (Losses)								(115)
Total forward currency contracts								(43)
Total derivative instruments at fair value								(87)



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NOTES TO FINANCIAL STATEMENTS

1. Fiscal Periods and General Information

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

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

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

2. Basis of Preparation and Presentation

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

These financial statements are presented in U.S. 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.

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3. Significant Accounting Policies (cont'd)

(a) Financial instruments (cont'd)

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

(b) Fair value measurement

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

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

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

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(c) Income recognition

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

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

(d) Commissions and other portfolio transaction costs

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

(e) Securities lending, repurchase and reverse repurchase transactions

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

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

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

(f) Offsetting

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

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

(g) Foreign currency

The functional and presentation currency of the Fund is U.S. dollars. Foreign currency purchases and sales of investments and foreign currency dividend and interest income and expenses are translated to U.S. 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 U.S. 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 U.S. 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 U.S. dollar, which is the Fund's reporting currency, fluctuates due to changes in exchange rates. Note 9 summarizes the Fund's exposure, if applicable and significant, to currency risk.

NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

iv. Interest rate risk

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

v. Other price risk

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

vi. Credit risk

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

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

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

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

vii. Underlying funds

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

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

(a) Fund Formation and Series Information

Date of Formation May 1, 2015

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)*

The minimums below are calculated in U.S. dollars.

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

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

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

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

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

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

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

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

Series FB5 and Series PWFB5 securities are no longer available for sale.

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

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9. Fund Specific Information (in '000s of U.S. dollars, 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 (US\$)	
				Mar. 31, 2018	Mar. 31, 2017
Series A	May 20, 2015	1.85%	0.24%	10.06	9.97
Series D	May 20, 2015	1.10%	0.16%	9.78	9.65
Series F	May 20, 2015	0.70% ⁽⁴⁾	0.15% ⁽⁷⁾	10.15	10.04
Series F8	None issued	0.70%	0.15%	—	—
Series FB	October 26, 2015	0.85%	0.24%	10.49	10.38
Series FB5	None issued ⁽²⁾	0.85%	0.24%	—	14.75
Series PW	May 20, 2015	1.70% ⁽⁵⁾	0.15%	10.09	10.00
Series PWF	May 20, 2015	0.70% ⁽⁶⁾	0.15%	10.11	10.00
Series PWF8	August 13, 2015	0.70% ⁽⁶⁾	0.15%	13.32	13.75
Series PWFB	April 3, 2017	0.70% ⁽⁶⁾	0.15%	10.12	—
Series PWFB5	None issued ⁽³⁾	0.70% ⁽⁶⁾	0.15%	—	—
Series PWT8	April 3, 2017	1.70% ⁽⁵⁾	0.15%	14.41	—
Series PWX	June 15, 2015	— ⁽¹⁾	— ⁽¹⁾	10.34	10.09
Series T8	May 26, 2015	1.85%	0.24%	12.58	13.12

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

(2) The series' original start date was October 26, 2015. All securities in the series were redeemed on January 17, 2018.

(3) The series' original start date was April 3, 2017. All securities in the series were redeemed on January 17, 2018.

(4) Prior to June 1, 2018, the management fee for Series F was charged to the Fund at a rate of 0.85%.

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

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

(7) Prior to June 1, 2018, the administration fee for Series F 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 \$5 (2017 – \$Nil) in the Fund.

(c) Loss Carryforwards

As at the last taxation year-end, the Fund has capital losses of \$418 which may be carried forward indefinitely to reduce future realized capital gains. There were no non-capital losses available to carry forward for tax purposes.

(d) Securities Lending

As at March 31, 2018 and 2017, 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	3
March 31, 2017	1

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

(f) Unfunded Credit Agreements

The Fund has entered into credit agreements whereby the Fund commits to fund a participation in a senior unsecured credit facility ("Commitment Amount") during an agreed upon period of time ("Commitment Period"). In exchange for providing this potential funding the Fund is entitled to receive a commitment fee ("Commitment Fee") from the issuer equal to a certain percentage of the Commitment Amount at the end of the Commitment Period. The funding requirement and the Commitment Fee are both contingent on whether or not the issuer of the credit agreement completes a contemplated transaction by the end of the Commitment Period. As at March 31, 2018, none of the Commitment Amounts were funded (2017 – \$Nil). The unfunded Commitment Amounts, the Commitment Fee rates and Commitment Period end date are listed below.

	Total Unfunded Commitment Amount (\$)	Total Number of Commitments	Range of Unfunded Commitment Amounts (\$)	Range of Commitment Fee Rates (%)	Range of Commitment Period End Date
March 31, 2018	90	3	22 - 38	0.750	June 18, 2018 - August 21, 2018
March 31, 2017	340	5	50 - 100	0.375 - 0.500	July 12, 2007 - January 31, 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	9	(9)	–	–
Unrealized losses on derivative contracts	(54)	9	135	90
Liability for options written	–	–	–	–
Total	(45)	–	135	90

	March 31, 2017			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	15	(11)	–	4
Unrealized losses on derivative contracts	(35)	11	213	189
Liability for options written	–	–	–	–
Total	(20)	–	213	193

(h) Risks Associated with Financial Instruments

i. Risk exposure and management

The Fund seeks long-term capital growth and income in U.S. dollars, by investing primarily in fixed income and/or income-oriented equities 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.



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9. Fund Specific Information (in '000s of U.S. dollars, 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 U.S. dollar terms, including the underlying principal amount of any derivative instruments. Other financial assets and liabilities (including accrued interest and dividends receivable, and receivables/payables for investments sold/purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.

Currency	March 31, 2018			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
Euro	6,079	61	(954)	5,186
British pound	2,710	(3)	(864)	1,843
Swiss franc	1,567	13	(254)	1,326
Japanese yen	2,072	–	(829)	1,243
Hong Kong dollar	883	–	–	883
Polish zloty	818	–	–	818
Indian rupee	805	–	–	805
Brazilian real	621	4	–	625
Canadian dollar	6,295	–	(5,671)	624
Turkish lira	409	8	–	417
Danish krone	757	5	(372)	390
Taiwanese dollar	387	–	–	387
New Zealand dollar	484	–	(106)	378
Norwegian krone	674	–	(298)	376
Russian ruble	317	–	–	317
Argentine peso	162	17	–	179
Australian dollar	1,058	–	(953)	105
Mexican peso	1,199	–	(1,179)	20
Swedish krona	1,337	34	(2,152)	(781)
Total	28,634	139	(13,632)	15,141
% of Net Assets	49.7	0.2	(23.7)	26.2



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

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

ii. Currency risk (cont'd)

Currency	March 31, 2017			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
Euro	4,816	77	(2,684)	2,209
Hong Kong dollar	753	–	–	753
Swiss franc	914	9	(293)	630
Japanese yen	488	2	119	609
Brazilian real	437	125	–	562
British pound	1,175	2	(808)	369
Norwegian krone	235	–	90	325
Indian rupee	276	–	–	276
Danish krone	961	3	(764)	200
Singapore dollar	187	–	–	187
New Zealand dollar	73	–	80	153
Mexican peso	1,158	–	(1,129)	29
Polish zloty	568	–	(561)	7
Chilean peso	176	–	(177)	(1)
Australian dollar	17	–	(55)	(38)
Canadian dollar	2,652	–	(3,111)	(459)
Swedish krona	446	42	(970)	(482)
Total	15,332	260	(10,263)	5,329
% of Net Assets	51.5	0.9	(34.5)	17.9

* Includes both monetary and non-monetary financial instruments

As at March 31, 2018, had the U.S. dollar increased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have decreased by approximately \$757 or 1.3% of total net assets (2017 – \$367 or 1.2%). Similarly, had the U.S. dollar decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have increased by approximately \$757 or 1.3% of the total net assets (2017 – \$285 or 1.0%). In practice, the actual trading results may differ and the difference could be material.

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NOTES TO FINANCIAL STATEMENTS

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

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

iii. Interest rate risk

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

Term to Maturity	March 31, 2018		March 31, 2017 (\$)	
	Bonds	Derivative Instruments	Bonds	Derivative Instruments
Less than 1 year	1,218	(2,496)	45	(2,304)
1-5 years	8,544	—	3,503	—
5-10 years	13,340	—	7,876	—
Greater than 10 years	2,249	—	2,366	—
Total	25,351	(2,496)	13,790	(2,304)

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 \$972 or 1.7% of total net assets (2017 – \$714 or 2.4%). In practice, the actual trading results may differ and the difference could be material.

iv. Other price risk

The Fund's most significant exposure to price risk arises from its investment in equity securities, options and mutual funds. As at March 31, 2018, had the prices on the respective stock exchanges for these securities increased by 10%, with all other variables held constant, net assets would have increased by approximately \$2,846 or 4.9% of total net assets (2017 – \$1,467 or 4.9%). Similarly, had the prices on the respective stock exchanges for these securities decreased by 10%, with all other variables held constant, net assets would have decreased by approximately \$2,846 or 4.9% of total net assets (2017 – \$1,400 or 4.7%). 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 4.5% (2017 – 4.5%) of the net assets of the Fund.

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

Bond Rating*	March 31, 2018	March 31, 2017
	% of Net Assets	% of Net Assets
AAA	13.9	13.9
AA	4.4	3.2
A	10.5	12.2
BBB	7.9	7.6
Less than BBB	6.6	8.7
Unrated	0.7	0.7
Total	44.0	46.3

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

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

(i) Fair Value Classification

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

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

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

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

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

	March 31, 2018				March 31, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	25,351	–	25,351	–	13,790	–	13,790
Equities	16,849	11,025	–	27,874	14,539	–	–	14,539
Options	–	–	–	–	5	31	–	36
Exchange-traded funds/notes	358	–	–	358	–	–	–	–
Mutual funds	227	–	–	227	198	–	–	198
Derivative assets	–	72	–	72	11	9	–	20
Derivative liabilities	(44)	(115)	–	(159)	(12)	(135)	–	(147)
Short-term investments	–	4,373	–	4,373	–	665	–	665
Total	17,390	40,706	–	58,096	14,741	14,360	–	29,101

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

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

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

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



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