

# MACKENZIE GLOBAL TACTICAL INVESTMENT GRADE BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

FIXED INCOME FUND

## MANAGEMENT REPORT

### Management's Responsibility for Financial Reporting

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

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

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

On behalf of Mackenzie Financial Corporation,  
Manager of the Fund



Barry McInerney  
President and Chief Executive Officer



Terry Rountes  
Chief Financial Officer, Funds

June 7, 2018

## INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Mackenzie Global Tactical Investment Grade Bond Fund (the "Fund")

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

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



Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

June 7, 2018



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# MACKENZIE GLOBAL TACTICAL INVESTMENT GRADE BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

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## STATEMENTS OF FINANCIAL POSITION

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

	2018	2017		2018	2017
	\$	\$		\$	\$
<b>ASSETS</b>			<b>Net assets attributable to securityholders</b>		
<b>Current assets</b>			<b>per security (note 3)</b>		
Investments at fair value	103,497	79,105	Series A	9.76	9.89
Cash and cash equivalents	4,883	1,925	Series AR	9.85	9.99
Accrued interest receivable	763	692	Series D	9.81	9.95
Dividends receivable	3	–	Series F	9.76	9.90
Accounts receivable for investments sold	506	844	Series F6	13.35	14.07
Accounts receivable for securities issued	7	299	Series FB	9.82	9.96
Due from manager	1	–	Series FB5	13.55	14.18
Margin on futures contracts	425	1,065	Series O	9.96	9.91
Unrealized gains on derivative contracts	453	326	Series PW	9.74	9.88
<b>Total assets</b>	<b>110,538</b>	<b>84,256</b>	Series PWF	9.74	9.89
			Series PWF6	14.21	–
			Series PWFB	9.84	–
			Series PWFB5	14.35	–
			Series PWT6	14.16	–
			Series PWX	9.80	9.95
			Series R	9.80	9.94
			Series SC	9.74	9.88
			Series S6	13.15	13.96
			Series T6	12.92	13.77
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable for investments purchased	3,063	684			
Accounts payable for securities redeemed	109	58			
Due to manager	2	–			
Liability for options written	–	27			
Unrealized losses on derivative contracts	1,391	708			
<b>Total liabilities</b>	<b>4,565</b>	<b>1,477</b>			
<b>Net assets attributable to securityholders</b>	<b>105,973</b>	<b>82,779</b>			
<b>Net assets attributable to securityholders</b>					
<b>per series (note 3)</b>					
Series A	802	1,738			
Series AR	5	5			
Series D	101	5			
Series F	22,029	35,064			
Series F6	1	1			
Series FB	1	1			
Series FB5	1	1			
Series O	1	140			
Series PW	384	1,463			
Series PWF	8,287	8,861			
Series PWF6	1	–			
Series PWFB	1	–			
Series PWFB5	1	–			
Series PWT6	1	–			
Series PWX	3	3			
Series R	71,971	32,295			
Series SC	2,220	2,954			
Series S6	1	18			
Series T6	162	230			

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



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# MACKENZIE GLOBAL TACTICAL INVESTMENT GRADE BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

FIXED INCOME FUND

## STATEMENTS OF COMPREHENSIVE INCOME

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

	2018	2017		2018	2017
	\$	\$		\$	\$
<b>Income</b>			<b>Increase (decrease) in net assets attributable to securityholders from operations per security</b>		
Dividends	177	21	Series A	0.03	0.03
Interest income	3,007	2,267	Series AR	(0.05)	0.08
Other changes in fair value of investments			Series D	(0.06)	(0.01)
Net realized gain (loss)	(1,619)	2,316	Series F	0.11	0.15
Net unrealized gain (loss)	215	(2,559)	Series F6	0.17	0.28
Fee rebate income	21	–	Series FB	0.09	0.16
<b>Total income (loss)</b>	<b>1,801</b>	<b>2,045</b>	Series FB5	0.12	0.23
			Series O	0.30	0.30
<b>Expenses (note 6)</b>			Series PW	0.04	0.20
Management fees	345	515	Series PWF	0.11	0.14
Management fee rebates	(5)	(4)	Series PWF6	0.15	–
Administration fees	77	112	Series PWFB	0.10	–
Interest charges	5	6	Series PWFB5	0.15	–
Commissions and other portfolio transaction costs	19	26	Series PWT6	0.10	–
Independent Review Committee fees	–	–	Series PWX	0.19	0.25
Other	4	2	Series R	0.18	0.24
<b>Expenses before amounts absorbed by Manager</b>	<b>445</b>	<b>657</b>	Series SC	0.05	0.08
Expenses absorbed by Manager	–	–	Series S6	(0.03)	0.08
<b>Net expenses</b>	<b>445</b>	<b>657</b>	Series T6	0.04	0.10
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>1,356</b>	<b>1,388</b>			
Foreign withholding taxes	5	–			
Foreign income taxes paid (recovered)	–	–			
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>1,351</b>	<b>1,388</b>			
<b>Increase (decrease) in net assets attributable to securityholders from operations per series</b>					
Series A	2	12			
Series AR	–	–			
Series D	–	–			
Series F	310	637			
Series F6	–	–			
Series FB	–	–			
Series FB5	–	–			
Series O	1	10			
Series PW	7	21			
Series PWF	109	191			
Series PWF6	–	–			
Series PWFB	–	–			
Series PWFB5	–	–			
Series PWT6	–	–			
Series PWX	–	1			
Series R	911	489			
Series SC	12	26			
Series S6	(1)	–			
Series T6	–	1			

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



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# MACKENZIE GLOBAL TACTICAL INVESTMENT GRADE BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

FIXED INCOME FUND

## STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Series A		Series AR		Series D		Series F		Series F6	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	1,738	3,786	5	5	5	1	35,064	44,142	1	1
Increase (decrease) in net assets from operations	2	12	–	–	–	–	310	637	–	–
Distributions paid to securityholders:										
Investment income	(17)	(24)	–	–	(2)	–	(680)	(727)	–	–
Capital gains	(1)	(38)	–	–	–	–	(22)	(503)	–	–
Return of capital	–	–	–	–	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–	(1)	–	–	–
Total distributions paid to securityholders	(18)	(62)	–	–	(2)	–	(703)	(1,230)	–	–
Security transactions:										
Proceeds from securities issued	93	742	4	–	102	4	9,906	20,340	–	–
Reinvested distributions	17	59	–	–	2	–	655	1,136	–	–
Value of securities redeemed	(1,030)	(2,799)	(4)	–	(6)	–	(23,203)	(29,961)	–	–
Total security transactions	(920)	(1,998)	–	–	98	4	(12,642)	(8,485)	–	–
<b>Total increase (decrease) in net assets</b>	<b>(936)</b>	<b>(2,048)</b>	<b>–</b>	<b>–</b>	<b>96</b>	<b>4</b>	<b>(13,035)</b>	<b>(9,078)</b>	<b>–</b>	<b>–</b>
<b>End of period</b>	<b>802</b>	<b>1,738</b>	<b>5</b>	<b>5</b>	<b>101</b>	<b>5</b>	<b>22,029</b>	<b>35,064</b>	<b>1</b>	<b>1</b>
<b>Increase (decrease) in fund securities (note 7):</b>	<b>Securities</b>		<b>Securities</b>		<b>Securities</b>		<b>Securities</b>		<b>Securities</b>	
<b>Securities outstanding – beginning of period</b>	176	379	–	–	1	–	3,540	4,406	–	–
Issued	8	74	–	–	10	1	1,003	2,028	–	–
Reinvested distributions	2	6	–	–	–	–	67	114	–	–
Redeemed	(104)	(283)	–	–	(1)	–	(2,353)	(3,008)	–	–
<b>Securities outstanding – end of period</b>	<b>82</b>	<b>176</b>	<b>–</b>	<b>–</b>	<b>10</b>	<b>1</b>	<b>2,257</b>	<b>3,540</b>	<b>–</b>	<b>–</b>
	<b>Series FB</b>		<b>Series FB5</b>		<b>Series O</b>		<b>Series PW</b>		<b>Series PWF</b>	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	1	1	1	1	140	778	1,463	1,210	8,861	13,654
Increase (decrease) in net assets from operations	–	–	–	–	1	10	7	21	109	191
Distributions paid to securityholders:										
Investment income	–	–	–	–	(1)	(9)	(22)	(18)	(255)	(242)
Capital gains	–	–	–	–	–	(3)	(1)	(18)	(8)	(158)
Return of capital	–	–	–	–	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–	(4)	(4)
Total distributions paid to securityholders	–	–	–	–	(1)	(12)	(23)	(36)	(267)	(404)
Security transactions:										
Proceeds from securities issued	–	–	–	–	1	72	375	977	5,882	7,297
Reinvested distributions	–	–	–	–	1	12	20	32	215	359
Value of securities redeemed	–	–	–	–	(141)	(720)	(1,458)	(741)	(6,513)	(12,236)
Total security transactions	–	–	–	–	(139)	(636)	(1,063)	268	(416)	(4,580)
<b>Total increase (decrease) in net assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(139)</b>	<b>(638)</b>	<b>(1,079)</b>	<b>253</b>	<b>(574)</b>	<b>(4,793)</b>
<b>End of period</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>140</b>	<b>384</b>	<b>1,463</b>	<b>8,287</b>	<b>8,861</b>
<b>Increase (decrease) in fund securities (note 7):</b>	<b>Securities</b>		<b>Securities</b>		<b>Securities</b>		<b>Securities</b>		<b>Securities</b>	
<b>Securities outstanding – beginning of period</b>	–	–	–	–	14	78	148	121	896	1,364
Issued	–	–	–	–	–	7	38	98	596	731
Reinvested distributions	–	–	–	–	–	1	2	3	22	36
Redeemed	–	–	–	–	(14)	(72)	(149)	(74)	(663)	(1,235)
<b>Securities outstanding – end of period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>14</b>	<b>39</b>	<b>148</b>	<b>851</b>	<b>896</b>

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

# MACKENZIE GLOBAL TACTICAL INVESTMENT GRADE BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

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

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

	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Series PWF6		Series PWFB		Series PWFB5		Series PWT6		Series PWX	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
Beginning of period	-	-	-	-	-	-	-	-	3	40
Increase (decrease) in net assets from operations	-	-	-	-	-	-	-	-	-	1
Distributions paid to securityholders:										
Investment income	-	-	-	-	-	-	-	-	-	(1)
Capital gains	-	-	-	-	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-	-	-	-	-
Management fee rebates	-	-	-	-	-	-	-	-	-	-
Total distributions paid to securityholders	-	-	-	-	-	-	-	-	-	(1)
Security transactions:										
Proceeds from securities issued	1	-	1	-	1	-	1	-	-	-
Reinvested distributions	-	-	-	-	-	-	-	-	-	1
Value of securities redeemed	-	-	-	-	-	-	-	-	-	(38)
Total security transactions	1	-	1	-	1	-	1	-	-	(37)
<b>Total increase (decrease) in net assets</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>(37)</b>
<b>End of period</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>3</b>	<b>3</b>

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	-	-	-	-	-	-	-	-	-	4
Issued	-	-	-	-	-	-	-	-	-	-
Reinvested distributions	-	-	-	-	-	-	-	-	-	-
Redeemed	-	-	-	-	-	-	-	-	-	(4)
<b>Securities outstanding – end of period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Series R		Series SC		Series S6		Series T6		Total	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
Beginning of period	32,295	7,318	2,954	2,863	18	1	230	245	82,779	74,046
Increase (decrease) in net assets from operations	911	489	12	26	(1)	-	-	1	1,351	1,388
Distributions paid to securityholders:										
Investment income	(1,654)	(579)	(43)	(30)	-	-	(2)	(2)	(2,676)	(1,632)
Capital gains	(56)	(319)	(2)	(34)	-	-	-	(2)	(90)	(1,075)
Return of capital	-	-	-	-	-	(1)	(9)	(13)	(9)	(14)
Management fee rebates	-	-	-	-	-	-	-	-	(5)	(4)
Total distributions paid to securityholders	(1,710)	(898)	(45)	(64)	-	(1)	(11)	(17)	(2,780)	(2,725)
Security transactions:										
Proceeds from securities issued	44,354	28,413	909	2,222	1	17	1	-	61,632	60,084
Reinvested distributions	271	366	41	59	-	1	-	3	1,222	2,028
Value of securities redeemed	(4,150)	(3,393)	(1,651)	(2,152)	(17)	-	(58)	(2)	(38,231)	(52,042)
Total security transactions	40,475	25,386	(701)	129	(16)	18	(57)	1	24,623	10,070
<b>Total increase (decrease) in net assets</b>	<b>39,676</b>	<b>24,977</b>	<b>(734)</b>	<b>91</b>	<b>(17)</b>	<b>17</b>	<b>(68)</b>	<b>(15)</b>	<b>23,194</b>	<b>8,733</b>
<b>End of period</b>	<b>71,971</b>	<b>32,295</b>	<b>2,220</b>	<b>2,954</b>	<b>1</b>	<b>18</b>	<b>162</b>	<b>230</b>	<b>105,973</b>	<b>82,779</b>

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	3,249	727	299	287	1	-	17	17
Issued	4,485	2,823	93	224	-	1	-	-
Reinvested distributions	28	37	4	6	-	-	-	-
Redeemed	(419)	(338)	(168)	(218)	(1)	-	(4)	-
<b>Securities outstanding – end of period</b>	<b>7,343</b>	<b>3,249</b>	<b>228</b>	<b>299</b>	<b>-</b>	<b>1</b>	<b>13</b>	<b>17</b>

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

# MACKENZIE GLOBAL TACTICAL INVESTMENT GRADE BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

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## STATEMENTS OF CASH FLOWS

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

	2018	2017
	\$	\$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to securityholders from operations	1,351	1,388
Adjustments for:		
Net realized loss (gain) on investments	1,619	(2,316)
Change in net unrealized loss (gain) on investments	(215)	2,559
Distributions received in-kind from underlying funds	(78)	–
Purchase of investments	(119,005)	(103,445)
Proceeds from sale and maturity of investments	96,554	88,673
Change in accrued interest receivable	(71)	(146)
Change in dividends receivable	(3)	–
Change in due from manager	(1)	–
Change in due to manager	2	–
Change in margin on futures contracts	640	(648)
Change in liability for options written	(27)	27
<b>Net cash from operating activities</b>	<b>(19,234)</b>	<b>(13,908)</b>
<b>Cash flows from financing activities</b>		
Proceeds from redeemable securities issued	56,321	59,707
Payments on redemption of redeemable securities	(32,577)	(51,348)
Distributions paid net of reinvestments	(1,558)	(697)
<b>Net cash from financing activities</b>	<b>22,186</b>	<b>7,662</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,952</b>	<b>(6,246)</b>
Cash and cash equivalents at beginning of period	1,925	8,168
Effect of exchange rate fluctuations on cash and cash equivalents	6	3
<b>Cash and cash equivalents at end of period</b>	<b>4,883</b>	<b>1,925</b>
Cash	557	1,925
Cash equivalents	4,326	–
<b>Cash and cash equivalents at end of period</b>	<b>4,883</b>	<b>1,925</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	174	21
Foreign taxes paid	5	–
Interest received	2,936	2,121
Interest paid	5	6

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



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# MACKENZIE GLOBAL TACTICAL INVESTMENT GRADE BOND FUND

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## SCHEDULE OF INVESTMENTS

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS</b>					
407 International Inc. 3.60% 05-21-2047 Callable	Canada	Corporate - Non Convertible	150,000	151	152
African Development Bank F/R 02-24-2019	Supra - National	n/a	SEK 3,000,000	500	463
AIMCo Realty Investors LP 3.04% 06-01-2028 Callable 2028	Canada	Corporate - Non Convertible	110,000	110	109
Algonquin Power & Utilities Corp. 4.65% 02-15-2022	Canada	Corporate - Non Convertible	500,000	532	529
Alibaba Group Holding Ltd. 3.40% 12-06-2027 Callable 2027	China	Corporate - Non Convertible	USD 800,000	1,026	978
Allied Properties Real Estate Investment Trust 3.93% 11-14-2022	Canada	Corporate - Non Convertible	117,000	117	119
AltaGas Ltd. 3.98% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	100,000	100	101
AltaLink LP 3.72% 12-03-2046 Callable MTN	Canada	Corporate - Non Convertible	221,000	221	229
Amneal Pharmaceuticals LLC Term loan B 1st Lien F/R 03-23-2025	United States	Term Loans	USD 100,000	128	129
Anheuser-Busch InBev Finance Inc. 2.65% 02-01-2021 Callable 2021	Belgium	Corporate - Non Convertible	USD 850,000	1,119	1,087
Anheuser-Busch InBev Finance Inc. 3.30% 02-01-2023 Callable 2022	Belgium	Corporate - Non Convertible	USD 140,000	200	181
Anheuser-Busch InBev Finance Inc. 2.60% 05-15-2024 Callable 2024	Belgium	Corporate - Non Convertible	340,000	337	331
Anheuser-Busch InBev Worldwide Inc. 2.50% 07-15-2022	United States	Corporate - Non Convertible	USD 175,000	224	219
APT Pipelines Ltd. 4.20% 03-23-2025 Callable 2024	Australia	Corporate - Non Convertible	USD 500,000	654	651
Arch Merger Sub Inc. 8.50% 09-15-2025 Callable 2020	United States	Corporate - Non Convertible	USD 120,000	153	143
Argentine Bonos del Tesoro 21.20% 09-19-2018	Argentina	Foreign Governments	ARS 3,400,000	307	215
Asian Development Bank 6.00% 02-24-2021	Supra - National	n/a	INR 18,500,000	365	362
Asian Development Bank 6.45% 08-08-2021	Supra - National	n/a	INR 9,950,000	206	197
Asian Development Bank 5.90% 12-20-2022	Supra - National	n/a	INR 18,330,000	354	352
AT&T Inc. 3.825% 11-25-2020	United States	Corporate - Non Convertible	890,000	925	917
ATS Consolidated Inc. Term Loan B 1st Lien F/R 02-23-2025	United States	Term Loans	USD 40,000	50	52
Aviva PLC 4.50% 05-10-2021	United Kingdom	Corporate - Non Convertible	210,000	223	219
Bank of America Corp. F/R 02-07-2022 Callable 2021	United States	Corporate - Non Convertible	EUR 300,000	431	481
Bank of America Corp. 3.228% 06-22-2022	United States	Corporate - Non Convertible	90,000	91	91
Bank of America Corp. F/R 03-15-2023 Callable 2022	United States	Corporate - Non Convertible	270,000	270	267
Bank of America Corp. 3.95% 04-21-2025	United States	Corporate - Non Convertible	USD 155,000	185	198
Bank of America Corp. F/R 09-20-2025 Callable 2024	United States	Corporate - Non Convertible	240,000	240	242
Bank of Montreal 2.27% 07-11-2022	Canada	Corporate - Non Convertible	310,000	309	305
Bank of Montreal 2.70% 09-11-2024 DPNT	Canada	Corporate - Non Convertible	50,000	50	50
Bank of Montreal 3.32% 06-01-2026	Canada	Corporate - Non Convertible	80,000	82	81
Bank of Montreal F/R 12-15-2032 Callable 2027	Canada	Corporate - Non Convertible	USD 170,000	218	209
The Bank of Nova Scotia 2.36% 11-08-2022	Canada	Corporate - Non Convertible	410,000	410	404
The Bank of Nova Scotia F/R 04-12-2066 Callable 2022	Canada	Corporate - Non Convertible	USD 210,000	262	257
bcIMC Realty Corp. 3.00% 03-31-2027 Callable 2026	Canada	Corporate - Non Convertible	190,000	193	190
Bell Canada 3.60% 09-29-2027 Callable	Canada	Corporate - Non Convertible	320,000	324	323
Boardriders Inc. Term Loan B 1st Lien F/R 03-21-2024	United States	Term Loans	USD 120,000	152	153
Brazil Notas do Tesouro Nacional 10.00% 01-01-2027	Brazil	Foreign Governments	BRL 100,000	393	403
Brookfield Renewable Energy Partners ULC 3.752% 06-02-2025 Callable 2025	Canada	Corporate - Non Convertible	50,000	52	51
Brookfield Renewable Energy Partners ULC 3.63% 01-15-2027 Callable 2026	Canada	Corporate - Non Convertible	440,000	438	438
Bruce Power LP 3.00% 06-21-2024 Callable 2024	Canada	Corporate - Non Convertible	270,000	273	267
Bruce Power LP 3.97% 06-23-2026	Canada	Corporate - Non Convertible	170,000	175	177
Can Am Construction Inc./Canada Term Loan B 1st Lien F/R 07-01-2024	Canada	Term Loans	USD 109,175	138	142



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Canada Goose Inc. Term Loan 1st Lien F/R 12-22-2021	Canada	Term Loans	USD 100,000	125	128
Canada Housing Trust No. 1 2.65% 03-15-2028	Canada	Federal Government	20,000	20	20
Canadian Imperial Bank of Commerce 2.30% 07-11-2022 DPNT	Canada	Corporate - Non Convertible	280,000	280	276
Canadian Imperial Bank of Commerce 2.47% 12-05-2022	Canada	Corporate - Non Convertible	360,000	360	357
Canadian Imperial Bank of Commerce 3.42% 01-26-2026 Callable 2021	Canada	Corporate - Non Convertible	40,000	41	40
Canadian Imperial Bank of Commerce F/R 04-04-2028 Callable 2023	Canada	Corporate - Non Convertible	180,000	180	181
Canadian Western Bank 2.74% 06-16-2022 DPNT	Canada	Corporate - Non Convertible	80,000	80	79
Canadian Western Bank 2.92% 12-15-2022	Canada	Corporate - Non Convertible	180,000	180	179
Capital Power Corp. 4.28% 09-18-2024 Callable 2024	Canada	Corporate - Non Convertible	520,000	523	527
Cards II Trust 2.155% 10-15-2020	Canada	Corporate - Non Convertible	210,000	210	209
Careerbuilder LLC Term Loan 1st Lien F/R 07-31-2023	United States	Term Loans	USD 107,250	131	138
Central 1 Credit Union 2.60% 11-07-2022	Canada	Corporate - Non Convertible	130,000	130	128
Chartwell Retirement Residences 3.79% 12-11-2023 Callable 2023	Canada	Corporate - Non Convertible	200,000	199	200
Chassix Inc. Term Loan B 1st Lien F/R 11-10-2023	United States	Term Loans	USD 79,800	99	103
Choice Properties Real Estate Investment Trust 3.01% 03-21-2022 Callable 2022	Canada	Corporate - Non Convertible	60,000	60	60
Choice Properties Real Estate Investment Trust 3.55% 01-10-2025 Callable 2024	Canada	Corporate - Non Convertible	110,000	110	110
Choice Properties Real Estate Investment Trust 4.18% 03-08-2028 Callable 2027	Canada	Corporate - Non Convertible	240,000	240	244
Citigroup Inc. 3.39% 11-18-2021	United States	Corporate - Non Convertible	20,000	21	20
City of Oslo 3.65% 11-08-2023	Norway	Foreign Governments	NOK 1,000,000	178	177
City of Oslo 2.35% 09-04-2024	Norway	Foreign Governments	NOK 6,000,000	982	987
City of Stockholm F/R 02-15-2022	Sweden	Foreign Governments	SEK 2,000,000	317	320
Coca-Cola Femsa SAB de CV 2.375% 11-26-2018	Mexico	Corporate - Non Convertible	USD 150,000	191	193
Coca-Cola Femsa SAB de CV 3.88% 11-26-2023	Mexico	Corporate - Non Convertible	USD 400,000	551	529
Comfort Holding LLC Term Loan 1st Lien F/R 02-05-2024	United States	Term Loans	USD 108,900	140	136
Commonwealth of Bahamas 6.95% 11-20-2029	Bahamas	Foreign Governments	USD 300,000	454	424
ConvergeOne Holdings Corp. Term Loan B 1st Lien F/R 06-20-2024	United States	Term Loans	USD 10,918	14	14
Coronado Australian Holdings Pty Ltd. Term Loan B 1st Lien F/R 03-21-2025	United States	Term Loans	USD 55,000	69	70
Coronado Australian Holdings Pty Ltd. Term Loan C 1st Lien F/R 03-21-2025	United States	Term Loans	USD 15,000	19	19
Corp Nacional del Cobre de Chile 4.50% 09-16-2025	Chile	Corporate - Non Convertible	USD 325,000	433	436
CU Inc. 3.964% 07-27-2045 Callable	Canada	Corporate - Non Convertible	10,000	11	11
Danske Bank AS F/R 05-22-2020	Denmark	Corporate - Non Convertible	SEK 2,000,000	315	314
Danske Bank AS 2.75% 09-17-2020	Denmark	Corporate - Non Convertible	USD 200,000	264	255
Daseke Inc. Term Loan 1st Lien F/R 02-27-2024	United States	Term Loans	USD 178,936	230	233
Digicert Holdings Inc. Term Loan 1st Lien F/R 09-20-2024	United States	Term Loans	USD 50,000	61	65
DNB Boligkreditt AS 2.00% 05-28-2020	Norway	Corporate - Non Convertible	USD 800,000	1,025	1,015
Eagle Credit Card Trust 2.147% 09-17-2020	Canada	Corporate - Non Convertible	300,000	301	298
Eagle Credit Card Trust 2.63% 10-17-2022	Canada	Corporate - Non Convertible	70,000	70	70
EagleTree-Carbide Acquisition Corp. Term Loan 1st Lien F/R 08-28-2024	United States	Term Loans	USD 129,500	161	168
Enbridge Inc. 4.77% 09-02-2019 Callable	Canada	Corporate - Non Convertible	800,000	851	826
Enbridge Inc. 3.20% 06-08-2027 Callable 2027	Canada	Corporate - Non Convertible	110,000	110	106
Enbridge Inc. 4.57% 03-11-2044	Canada	Corporate - Non Convertible	160,000	166	160



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<b>BONDS (cont'd)</b>					
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate - Non Convertible	720,000	721	694
EnerCare Solutions Inc. 3.38% 02-21-2022 Callable 2022	Canada	Corporate - Non Convertible	190,000	190	192
EnerCare Solutions Inc. 3.99% 02-21-2024 Callable 2023	Canada	Corporate - Non Convertible	150,000	150	154
Envigo Holdings Inc. Term Loan B 1st Lien F/R 12-14-2023	United States	Term Loans	USD 80,000	98	101
EPCOR Utilities Inc. 3.55% 11-27-2047 Callable 2047	Canada	Corporate - Non Convertible	130,000	130	130
European Bank for Reconstruction & Development 6.00% 05-04-2020	Supra - National	n/a	INR 25,000,000	522	491
Fairfax Financial Holdings Ltd. 8.30% 04-15-2026	Canada	Corporate - Non Convertible	USD 190,000	287	301
Fairfax Financial Holdings Ltd. 4.25% 12-06-2027 Callable 2027	Canada	Corporate - Non Convertible	120,000	120	119
Federation des Caisses Desjardins du Quebec 2.09% 01-17-2022	Canada	Corporate - Non Convertible	470,000	469	461
The Fédération des Caisses Desjardins du Québec 2.39% 08-25-2022	Canada	Corporate - Non Convertible	300,000	300	296
Fortified Trust 2.16% 10-23-2020	Canada	Corporate - Non Convertible	360,000	360	357
Fortified Trust 1.67% 07-23-2021	Canada	Corporate - Non Convertible	240,000	240	233
Fresenius US Finance II Inc. 4.25% 02-01-2021	Germany	Corporate - Non Convertible	USD 350,000	473	459
FXI Holdings Inc. 7.88% 11-01-2024 Callable 2020	United States	Corporate - Non Convertible	USD 50,000	64	63
Gaz Metro Inc. 1.52% 05-25-2020	Canada	Corporate - Non Convertible	80,000	80	79
General Electric Capital Corp. F/R 07-30-2019	United States	Corporate - Non Convertible	SEK 2,000,000	315	312
General Electric Co. 8.35% 09-03-2022	United States	Corporate - Non Convertible	MXN 6,000,000	444	428
General Motors Financial of Canada Ltd. 2.60% 06-01-2022	United States	Corporate - Non Convertible	160,000	160	156
Gibson Energy Inc. 5.25% 07-15-2024 Callable 2020 REGS	Canada	Corporate - Non Convertible	130,000	130	131
The Goldman Sachs Group Inc. 5.20% 12-17-2019	United States	Corporate - Non Convertible	NZD 380,000	379	367
The Goldman Sachs Group Inc. F/R 10-28-2027 Callable 2026	United States	Corporate - Non Convertible	USD 700,000	900	946
Government of Aruba 4.625% 09-14-2023	Aruba	Foreign Governments	USD 300,000	401	404
Government of Bermuda 4.854% 02-06-2024	Bermuda	Foreign Governments	USD 500,000	701	680
Government of Bermuda 3.72% 01-25-2027 Callable 2026	Bermuda	Foreign Governments	USD 1,900,000	2,406	2,393
Government of Canada 3.25% 06-01-2021	Canada	Federal Government	90,000	94	94
Government of Canada 1.50% 06-01-2023	Canada	Federal Government	130,000	128	127
Government of Canada 2.50% 06-01-2024	Canada	Federal Government	190,000	194	195
Government of Canada 2.25% 06-01-2025	Canada	Federal Government	20,000	20	20
Government of Canada 1.00% 06-01-2027	Canada	Federal Government	370,000	330	337
Government of Canada 2.75% 12-01-2048	Canada	Federal Government	540,000	577	602
Government of Cayman Islands 5.95% 11-24-2019	Cayman Islands	Foreign Governments	USD 400,000	530	543
Government of Dominican Republic 7.50% 05-06-2021	Dominican Republic	Foreign Governments	USD 300,000	415	413
Government of Ireland 5.00% 10-18-2020	Ireland	Foreign Governments	EUR 300,000	528	542
Government of Ireland 1.00% 05-15-2026	Ireland	Foreign Governments	EUR 325,000	457	530
Government of Japan 0.10% 02-15-2019	Japan	Foreign Governments	JPY 170,000,000	2,072	2,068
Government of Russia 7.05% 01-19-2028	Russia	Foreign Governments	RUB 29,500,000	663	670
Government of Turkey 9.40% 07-08-2020	Turkey	Foreign Governments	TRL 1,000,000	370	300
Government of Turkey 11.00% 02-24-2027	Turkey	Foreign Governments	TRL 800,000	303	242
Granite REIT Holdings LP 3.87% 11-30-2023 Callable 2023	Canada	Corporate - Non Convertible	40,000	40	40
Green Plains Inc. Term Loan B 1st Lien F/R 08-29-2023	United States	Term Loans	USD 69,650	87	90
Greenhill & Co. Inc. Term Loan B 1st Lien F/R 10-12-2022	United States	Term Loans	USD 39,500	49	51
H&R Real Estate Investment Trust 2.92% 05-06-2022	Canada	Corporate - Non Convertible	260,000	257	256
H&R Real Estate Investment Trust 3.42% 01-23-2023 Callable 2022	Canada	Corporate - Non Convertible	90,000	90	90
H&R Real Estate Investment Trust 3.37% 01-30-2024 Callable 2023	Canada	Corporate - Non Convertible	130,000	128	129
Heathrow Funding Ltd. 4.00% 07-03-2019	United Kingdom	Corporate - Non Convertible	1,270,000	1,337	1,297
Heathrow Funding Ltd. 4.875% 07-15-2021	United Kingdom	Corporate - Non Convertible	USD 225,000	329	306



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<b>BONDS (cont'd)</b>					
Heathrow Funding Ltd. 3.25% 05-21-2025	United Kingdom	Corporate - Non Convertible	200,000	198	203
Heathrow Funding Ltd. 3.40% 03-08-2028	United Kingdom	Corporate - Non Convertible	210,000	210	213
Hollis Receivables Term Trust II 1.788% 02-26-2020	Canada	Corporate - Non Convertible	380,000	380	376
Hornblower Sub LLC Term Loan 1st Lien F/R 04-28-2025	United States	Term Loans	USD 80,000	103	103
HSBC Bank Canada 2.54% 01-31-2023	Canada	Corporate - Non Convertible	210,000	210	207
HSBC Holdings PLC 0.45% 09-24-2021	United Kingdom	Corporate - Non Convertible	JPY 100,000,000	1,236	1,224
Hudson River Trading LLC Term Loan 1st Lien F/R 03-20-2025	United States	Term Loans	USD 70,000	91	91
Hydro One Inc. 3.72% 11-18-2047	Canada	Corporate - Non Convertible	100,000	100	102
Inter Pipeline Ltd. 2.73% 04-18-2024 Callable 2024	Canada	Corporate - Non Convertible	90,000	91	87
Inter Pipeline Ltd. 3.48% 12-16-2026 Callable 2026	Canada	Corporate - Non Convertible	80,000	80	79
The International Bank for Reconstruction and Development 3.50% 01-22-2021	Supra - National	n/a	NZD 70,000	65	67
International Finance Corp. 3.625% 05-20-2020	Supra - National	n/a	NZD 30,000	28	29
International Finance Corp. 6.30% 11-25-2024	Supra - National	n/a	INR 33,680,000	691	658
International Finance Corp. 7.00% 07-20-2027	Supra - National	n/a	MXN 17,700,000	1,084	1,201
International Finance Corp. 8.38% 05-31-2029	Supra - National	n/a	MXN 7,500,000	544	549
iQor US Inc. Term Loan B 1st Lien F/R 04-01-2021	United States	Term Loans	USD 29,338	35	38
Itron Inc. 5.00% 01-15-2026 Callable 2021	United States	Corporate - Non Convertible	USD 20,000	26	25
Itron Inc. 5.00% 01-15-2026 Callable 2021	United States	Corporate - Non Convertible	USD 5,000	6	6
Jane Street Group LLC Term Loan B 1st Lien F/R 08-25-2022	United States	Term Loans	USD 119,000	150	154
KEMET Corp. Term Loan B 1st Lien F/R 04-26-2024	United States	Term Loans	USD 134,750	176	177
KFW 3.75% 05-29-2020	Germany	Foreign Governments	NZD 850,000	784	813
Kommunalbanken AS F/R 05-26-2021	Norway	Foreign Governments	NZD 450,000	432	422
The Korea Development Bank 5.13% 11-13-2020	South Korea	Foreign Governments	NZD 400,000	365	387
Kraft Heinz Foods Co. 3.00% 06-01-2026 Callable 2026	United States	Corporate - Non Convertible	USD 350,000	419	417
Laurentian Bank of Canada F/R 10-22-2019	Canada	Corporate - Non Convertible	190,000	190	190
Laurentian Bank of Canada 3.00% 09-12-2022	Canada	Corporate - Non Convertible	280,000	280	277
LifeMiles Ltd. Term Loan B 1st Lien F/R 08-18-2022	Colombia	Term Loans	USD 88,500	113	117
Manulife Bank of Canada 2.08% 05-26-2022	Canada	Corporate - Non Convertible	240,000	240	234
Manulife Bank of Canada 2.84% 01-12-2023	Canada	Corporate - Non Convertible	140,000	140	140
Manulife Financial Corp. F/R 08-20-2029 Callable 2024	Canada	Corporate - Non Convertible	280,000	280	276
Mattamy Group Corp. 6.50% 10-01-2025 Callable 2020	Canada	Corporate - Non Convertible	35,000	35	36
McAfee LLC Term Loan B 1st Lien F/R 09-30-2024	United States	Term Loans	USD 119,400	147	156
McDonald's Corp. 3.13% 03-04-2025 Callable 2025	United States	Corporate - Non Convertible	370,000	369	369
Meredith Corp. Term Loan B 1st Lien F/R 01-18-2025	United States	Term Loans	USD 130,000	161	169
Metro Inc. 2.68% 12-05-2022 Callable 2022	Canada	Corporate - Non Convertible	60,000	60	59
Metro Inc. 3.39% 12-06-2027 Callable 2027	Canada	Corporate - Non Convertible	140,000	140	138
Mexico City Airport Trust 3.88% 04-30-2028 Callable 2028	Mexico	Corporate - Non Convertible	USD 400,000	493	476
Mitsubishi UFJ Financial Group Inc. 2.67% 07-25-2022	Japan	Corporate - Non Convertible	USD 350,000	436	438
Mizuho Financial Group Inc. F/R 09-11-2022	Japan	Corporate - Non Convertible	USD 350,000	434	453
Molson Coors International LP 2.25% 09-18-2018	United States	Corporate - Non Convertible	280,000	279	280
Molson Coors International LP 2.84% 07-15-2023 Callable 2023	United States	Corporate - Non Convertible	740,000	728	724
Mondelez International Inc. 3.25% 03-07-2025 Callable 2025	United States	Corporate - Non Convertible	190,000	189	190
Morgan Stanley 3.13% 08-05-2021	United States	Corporate - Non Convertible	700,000	712	708
Morgan Stanley 3.00% 02-07-2024	United States	Corporate - Non Convertible	340,000	340	336
National Bank of Canada 1.96% 06-30-2022	Canada	Corporate - Non Convertible	40,000	39	39
Neenah Foundry Co. Term Loan B 1st Lien F/R 12-08-2022	United States	Term Loans	USD 50,000	64	64
New Red Finance Inc. 5.00% 10-15-2025 Callable 2020	Canada	Corporate - Non Convertible	USD 40,000	49	49
Newell Brands Inc. 4.20% 04-01-2026 Callable 2026	United States	Corporate - Non Convertible	USD 80,000	102	102



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<b>BONDS (cont'd)</b>					
North West Redwater Partnership 2.80% 06-01-2027					
Callable 2027	Canada	Corporate - Non Convertible	180,000	180	174
Nykredit Realkredit AS F/R 07-01-2019	Denmark	Corporate - Non Convertible	SEK 4,000,000	634	623
Ocean Bidco Inc. Term Loan B 1st Lien F/R 03-02-2025	United States	Term Loans	USD 40,000	51	52
OCI Beaumont LLC Term Loan B 1st Lien F/R 02-16-2025	United States	Term Loans	USD 50,000	63	65
Office Depot Inc. Term Loan B 1st Lien F/R 11-08-2022	United States	Term Loans	USD 87,750	109	115
OMERS Realty Corp. 2.473% 11-12-2019 Callable	Canada	Corporate - Non Convertible	200,000	207	201
OMERS Realty Corp. 3.24% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	340,000	340	345
Ontario Electricity Financial Corp. 0% 11-27-2020	Canada	Provincial Governments	330,000	319	311
Ontario Power Generation Inc. 3.32% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	200,000	200	202
OPB Finance Trust 2.98% 01-25-2027	Canada	Provincial Governments	190,000	190	191
Osteon Merger Sub Inc. Term Loan B 1st Lien F/R 02-06-2025	United States	Term Loans	USD 40,000	50	52
Paradigm Acquisition Corp. Term Loan 1st Lien F/R 10-11-2024	United States	Term Loans	USD 24,376	30	32
Parkland Fuel Corp. 6.00% 04-01-2026 Callable 2021	Canada	Corporate - Non Convertible	USD 50,000	65	65
Pembina Pipeline Corp. 2.99% 01-22-2024 Callable 2023	Canada	Corporate - Non Convertible	478,000	481	471
PepsiCo Inc. 2.50% 11-01-2022	United States	Corporate - Non Convertible	GBP 100,000	201	190
Petroleos De Venezuela SA 6.00% 05-16-2024	Venezuela	Corporate - Non Convertible	USD 167,000	54	59
Pisces Midco Inc. Term Loan B 1st Lien F/R 03-29-2025	United States	Term Loans	USD 80,000	103	103
Pisces Midco Inc. 8.00% 04-15-2026 Callable 2021	United States	Corporate - Non Convertible	USD 20,000	26	26
PNI Canada Acquireco Corp. Term Loan B 1st Lien F/R 08-23-2022	Canada	Term Loans	USD 49,750	59	64
Prospect Medical Holdings Inc. Term Loan B 1st Lien F/R 02-15-2024	United States	Term Loans	USD 130,000	160	168
Province of Newfoundland 3.70% 10-17-2048	Canada	Provincial Governments	220,000	243	238
Province of Ontario 2.60% 09-08-2023	Canada	Provincial Governments	120,000	120	121
Province of Ontario 2.40% 06-02-2026	Canada	Provincial Governments	400,000	395	392
Province of Ontario 2.60% 06-02-2027	Canada	Provincial Governments	520,000	519	514
PS HoldCo LLC Term Loan 1st Lien F/R 03-02-2025	United States	Term Loans	USD 30,000	38	39
PSC Industrial Outsourcing LP Term Loan B 1st Lien F/R 10-05-2024	United States	Term Loans	USD 69,825	87	91
Queensland Treasury Corp. 2.75% 08-20-2027	Australia	Foreign Governments	AUD 2,450,000	2,356	2,358
Realkredit Danmark A/S F/R 10-01-2019	Denmark	Corporate - Non Convertible	SEK 1,400,000	215	217
Realkredit Danmark AS 1.00% 04-01-2022	Denmark	Corporate - Non Convertible	DKK 10,700,000	2,145	2,357
Red Ventures LLC Term Loan B 1st Lien F/R 11-08-2024	United States	Term Loans	USD 89,550	110	117
Reliance Intermediate Holdings LP 6.50% 04-01-2023 Callable 2018	Canada	Corporate - Non Convertible	USD 45,000	61	60
Reliance LP 3.84% 03-15-2025 Callable 2025	Canada	Corporate - Non Convertible	160,000	160	160
Republic of Argentina 4.63% 01-11-2023	Argentina	Foreign Governments	USD 160,000	192	198
Republic of Argentina 5.88% 01-11-2028	Argentina	Foreign Governments	USD 330,000	390	401
Republic of Argentina 6.88% 01-11-2048	Argentina	Foreign Governments	USD 70,000	87	82
Republic of Poland F/R 01-25-2026	Poland	Foreign Governments	PLN 7,350,000	2,508	2,716
Research Now Group Inc. Term Loan 1st Lien F/R 12-20-2024	United States	Term Loans	USD 139,650	171	179
Rite Aid Corp. 7.70% 02-15-2027	United States	Corporate - Non Convertible	USD 250,000	271	274
Rogers Communications Inc. 6.80% 08-15-2018	Canada	Corporate - Non Convertible	USD 140,000	197	183
Rogers Communications Inc. 4.00% 06-06-2022	Canada	Corporate - Non Convertible	700,000	740	734
Royal Bank of Canada 2.36% 12-05-2022	Canada	Corporate - Non Convertible	150,000	150	148
Royal Bank of Canada 2.33% 12-05-2023 DPNT	Canada	Corporate - Non Convertible	190,000	190	186
Royal Bank of Canada 4.65% 01-27-2026 GMTN	Canada	Corporate - Non Convertible	USD 100,000	141	133
Santander Consumer Bank AS 0.88% 06-12-2018	Norway	Corporate - Non Convertible	SEK 3,000,000	477	464
Santander Consumer Bank AS F/R 03-30-2020	Norway	Corporate - Non Convertible	SEK 3,000,000	461	465



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# MACKENZIE GLOBAL TACTICAL INVESTMENT GRADE BOND FUND

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## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Sea to Sky Highway Investment LP 2.63% 08-31-2030	Canada	Corporate - Non Convertible	198,062	198	192
Sigma Bidco BV Term Loan B 1st Lien F/R 03-07-2025	Netherlands	Term Loans	EUR 70,000	112	110
Sigma US Corp. Term Loan B 1st Lien F/R 03-06-2025	Netherlands	Term Loans	USD 70,000	90	90
SmartCentres Real Estate Investment Trust 3.83% 12-21-2027 Callable 2027	Canada	Corporate - Non Convertible	50,000	50	49
SNC-Lavalin Group Inc. 2.69% 11-24-2020	Canada	Corporate - Non Convertible	40,000	40	40
SNC-Lavalin Group Inc. 3.24% 03-02-2023 Callable 2023	Canada	Corporate - Non Convertible	120,000	120	121
Source Energy Services Canada LP 10.50% 12-15-2021 Callable 2018	Canada	Corporate - Non Convertible	216,000	216	236
Staples Inc. Term Loan 1st Lien F/R 08-15-2024	United States	Term Loans	USD 99,750	127	128
Stepstone Group LP Term Loan B 1st Lien F/R 03-19-2025	United States	Term Loans	USD 40,000	52	52
Sun Life Financial Inc. F/R 02-19-2026 Callable 2021	Canada	Corporate - Non Convertible	210,000	212	212
Sun Life Financial Inc. F/R 11-23-2027 Callable 2022	Canada	Corporate - Non Convertible	130,000	130	129
Sydney Airport Finance Co. Pty. Ltd. 3.625% 04-28-2026 Callable 2026	Australia	Corporate - Non Convertible	USD 445,000	574	561
Talen Energy Supply LLC 10.50% 01-15-2026 Callable 2022	United States	Corporate - Non Convertible	USD 30,000	37	36
Telefonica Emisiones SAU 3.987% 01-23-2023	Spain	Corporate - Non Convertible	EUR 100,000	168	184
TELUS Corp. 3.63% 03-01-2028 Callable 2027	Canada	Corporate - Non Convertible	110,000	109	111
TerraForm Power Operating LLC 5.00% 01-31-2028 Callable 2027	United States	Corporate - Non Convertible	USD 50,000	64	62
Teva Pharmaceutical Finance Netherlands III BV 3.15% 10-01-2026 Callable	Israel	Corporate - Non Convertible	USD 45,000	47	47
Thomson Reuters Corp. 4.35% 09-30-2020	United States	Corporate - Non Convertible	700,000	738	730
Titan Acquisition Ltd. Term Loan 1st Lien F/R 03-16-2025	United Kingdom	Term Loans	USD 80,000	104	103
Titan Acquisition Ltd. 7.75% 04-15-2026 Callable 2021	United Kingdom	Corporate - Non Convertible	USD 120,000	157	155
TMX Group Ltd. 4.46% 10-03-2023 Callable 2023	Canada	Corporate - Non Convertible	120,000	136	129
TMX Group Ltd. 2.30% 12-11-2024 Callable 2024	Canada	Corporate - Non Convertible	140,000	140	139
The Toronto-Dominion Bank 1.91% 07-18-2023 DPNT	Canada	Corporate - Non Convertible	290,000	290	279
The Toronto-Dominion Bank F/R 07-25-2029 Callable 2024	Canada	Corporate - Non Convertible	70,000	70	69
TransCanada Pipelines Ltd. 3.125% 01-15-2019	Canada	Corporate - Non Convertible	USD 80,000	112	103
TransCanada PipeLines Ltd. 3.30% 07-17-2025 Callable 2025 MTN	Canada	Corporate - Non Convertible	450,000	468	457
TransCanada Pipelines Ltd. 3.39% 03-15-2028 Callable 2027	Canada	Corporate - Non Convertible	240,000	240	242
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	260,000	260	257
Transurban Finance Co. Pty Ltd. 3.368% 03-06-2019	Australia	Asset Backed	80,000	83	81
Traverse Midstream Partners LLC Term Loan B 1st Lien F/R 09-21-2024	United States	Term Loans	USD 30,000	37	39
Treasury Corp. of Victoria 3.00% 10-20-2028	Australia	Foreign Governments	AUD 1,800,000	1,814	1,776
Trico Products Corp. Term Loan 1st Lien F/R 02-02-2024	United States	Term Loans	USD 70,000	84	91
Uber Technologies Inc. Term Loan 1st Lien F/R 03-21-2025	United States	Term Loans	USD 110,000	141	143
Uber Technologies Inc. Term Loan B 1st Lien F/R 07-13-2023	United States	Term Loans	USD 137,774	182	178
United Kingdom Treasury 4.25% 12-07-2027	United Kingdom	Foreign Governments	GBP 850,000	1,826	1,941
United States Treasury Inflation Indexed 0.13% 01-15-2023	United States	Foreign Governments	USD 1,600,000	2,119	2,177
United States Treasury Inflation Indexed 2.00% 01-15-2026	United States	Foreign Governments	USD 1,460,000	2,495	2,594
United States Treasury Inflation Indexed 0.38% 07-15-2027	United States	Foreign Governments	USD 3,350,000	4,221	4,268
United States Treasury Inflation Indexed 0.89% 02-15-2047	United States	Foreign Governments	USD 1,100,000	1,382	1,444
United States Treasury 1.88% 02-28-2022	United States	Foreign Governments	USD 900,000	1,202	1,133
United States Treasury 2.13% 02-29-2024	United States	Foreign Governments	USD 1,850,000	2,476	2,316
United States Treasury 2.75% 02-15-2028	United States	Foreign Governments	USD 50,000	64	65
United States Treasury 3.00% 02-15-2047	United States	Foreign Governments	USD 350,000	480	453
Ventas Canada Finance Ltd. 2.55% 03-15-2023 Callable 2023	United States	Corporate - Non Convertible	545,000	537	533



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# MACKENZIE GLOBAL TACTICAL INVESTMENT GRADE BOND FUND

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## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Vistage Worldwide Inc. Term Loan 1st Lien F/R 02-01-2025	United States	Term Loans	USD 60,000	75	78
Volkswagen Financial Services NV 1.75% 04-17-2020	Germany	Corporate - Non Convertible	GBP 200,000	390	363
W/S Packaging Holdings Inc. 9.00% 04-15-2023 Callable 2020	United States	Corporate - Non Convertible	USD 70,000	90	92
Wells Fargo & Co. 2.222% 03-15-2021	United States	Corporate - Non Convertible	400,000	401	394
Wells Fargo & Co. 2.09% 04-25-2022	United States	Corporate - Non Convertible	700,000	680	678
Wells Fargo & Co. 2.98% 05-19-2026	United States	Corporate - Non Convertible	400,000	404	387
Williams Scotsman International Inc. 7.88% 12-15-2022 Callable 2019	United States	Corporate - Non Convertible	USD 50,000	64	67
YRC Worldwide Inc. Term Loan 1st Lien F/R 07-21-2022	United States	Term Loans	USD 68,917	86	90
Zotec Partners LLC Term Loan 1st Lien F/R 02-09-2024	United States	Term Loans	USD 80,000	100	103
<b>Total bonds</b>				<b>97,592</b>	<b>97,669</b>
<b>EQUITIES</b>					
AltaGas Ltd. Pfd. Series K	Canada	Energy	4,774	119	121
Brookfield Asset Management Inc. Pfd. Series 46	Canada	Real Estate	6,420	161	166
Brookfield Asset Management Inc. Pfd. Series 48	Canada	Real Estate	4,370	109	111
Brookfield Renewable Partners LP Pfd. Series 11	Canada	Utilities	8,906	223	224
Source Energy Services Ltd.	Canada	Energy	2,006	19	10
TransAlta Corp. Pfd. Series A	Canada	Utilities	7,204	96	107
TransCanada Corp. Pfd. Series 15	Canada	Energy	12,050	301	314
<b>Total equities</b>				<b>1,028</b>	<b>1,053</b>
<b>EXCHANGE-TRADED FUNDS/NOTES</b>					
Mackenzie Global High Yield Fixed Income ETF	Canada	Exchange-Traded Funds/Notes	150,000	3,077	2,945
Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged)	Canada	Exchange-Traded Funds/Notes	18,618	1,852	1,830
<b>Total exchange-traded funds/notes</b>				<b>4,929</b>	<b>4,775</b>
Transaction costs				(6)	—
<b>Total investments</b>				<b>103,543</b>	<b>103,497</b>
Derivative instruments (see schedule of derivative instruments)					(938)
Cash and cash equivalents					4,883
Other assets less liabilities					(1,469)
<b>Total net assets</b>					<b>105,973</b>



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# MACKENZIE GLOBAL TACTICAL INVESTMENT GRADE BOND FUND

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## SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2018	
Portfolio Allocation	% of NAV
Bonds	92.0
<i>Bonds</i>	92.2
<i>Short futures</i>	(0.2)
Cash and short-term investments	4.6
Exchange-traded funds/notes	4.5
Equities	1.0
Other assets (liabilities)	(2.1)

Regional Allocation	
	% of NAV
United States	30.9
Canada	27.5
Other	7.0
United Kingdom	5.8
Australia	5.1
Cash and short-term investments	4.6
Denmark	3.6
Norway	3.3
Bermuda	2.9
Japan	2.8
Poland	2.6
Germany	1.5
Belgium	1.5
Mexico	1.1
Ireland	1.0
China	0.9
Other assets (liabilities)	(2.1)

Sector Allocation	
	% of NAV
Corporate bonds	45.3
Foreign government bonds	34.8
Term loans	4.9
Cash and short-term investments	4.6
Exchange-traded funds/notes	4.5
Supra-national bonds	4.1
Provincial bonds	1.7
Federal bonds	1.3
Energy	0.4
Utilities	0.3
Financials	0.3
Asset backed	0.1
Other	(0.2)
Other assets (liabilities)	(2.1)

March 31, 2017	
Portfolio Allocation	% of NAV
Bonds	93.4
<i>Bonds</i>	93.3
<i>Purchased options</i>	0.2
<i>Written options</i>	(0.0)
<i>Short futures</i>	(0.1)
Cash and short-term investments	2.4
Other assets (liabilities)	2.2
Equities	2.0

Regional Allocation	
	% of NAV
United States	26.3
Canada	20.0
Other	9.4
Mexico	6.9
Denmark	6.7
Poland	4.4
Ireland	4.0
France	4.0
Bahamas	3.2
Bermuda	3.1
Cash and short-term investments	2.4
Other assets (liabilities)	2.2
Italy	2.1
Norway	1.9
Netherlands	1.8
Portugal	1.6

Sector Allocation	
	% of NAV
Foreign government bonds	46.2
Corporate bonds	36.1
Term loans	4.9
Supra-national bonds	2.8
Cash and short-term investments	2.4
Other	2.2
Other assets (liabilities)	2.2
Provincial bonds	1.7
Federal bonds	1.5



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# MACKENZIE GLOBAL TACTICAL INVESTMENT GRADE BOND FUND

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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* (\$ 000s)	Unrealized (Losses) (\$ 000s)
(7)	Euro-BOBL Futures June 2018	Jun. 7, 2018	156.58 EUR	(1,769)	(32)
(23)	10 Year Swedish Government Bond Futures June 2018	Jun. 14, 2018	149.61 SEK	(5,353)	(42)
(3)	10 Year United States Treasury Note Futures June 2018	Jun. 20, 2018	119.74 USD	(468)	(5)
(15)	CME Ultra Term United States Treasury Bond Futures June 2018	Jun. 20, 2018	154.63 USD	(3,101)	(113)
Unrealized (Losses)				(10,691)	(192)
<b>Total futures contracts</b>				<b>(10,691)</b>	<b>(192)</b>

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

### Schedule of Forward Currency Contracts

Counterparty Credit Rating	Bought (\$ 000s)	Sold (\$ 000s)	Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized Gains (\$ 000s)
AA	35 British pound	(48) U.S. dollar	Apr. 5, 2018	62	63	1
AA	683 U.S. dollar	(5,596) Swedish krona	Apr. 5, 2018	(880)	(864)	16
AA	753 U.S. dollar	(704) Swiss franc	Apr. 5, 2018	(970)	(950)	20
A	30,900 Mexican peso	(2,043) Canadian dollar	Apr. 6, 2018	2,043	2,188	145
AA	635 Canadian dollar	(4,060) Swedish krona	Apr. 18, 2018	(635)	(627)	8
AA	409 Canadian dollar	(2,600) Swedish krona	Apr. 18, 2018	(409)	(401)	8
A	330 Euro	(507) Canadian dollar	Apr. 27, 2018	507	524	17
A	865 Euro	(1,329) Canadian dollar	Apr. 27, 2018	1,329	1,373	44
A	1,353 Canadian dollar	(1,350) Australian dollar	May 9, 2018	(1,353)	(1,335)	18
A	542 Canadian dollar	(545) Australian dollar	May 9, 2018	(542)	(539)	3
AA	747 Canadian dollar	(800) New Zealand dollar	Jun. 13, 2018	(747)	(744)	3
AA	1,353 Canadian dollar	(1,350) Australian dollar	Jun. 20, 2018	(1,353)	(1,334)	19
AA	2,416 Canadian dollar	(11,155) Danish krone	Jun. 22, 2018	(2,416)	(2,383)	33
AA	2,177 Canadian dollar	(1,690) U.S. dollar	Jun. 22, 2018	(2,177)	(2,174)	3
AA	8,657 Canadian dollar	(6,653) U.S. dollar	Jun. 29, 2018	(8,657)	(8,558)	99
AA	1,753 Canadian dollar	(1,360) U.S. dollar	Jul. 13, 2018	(1,753)	(1,749)	4
AA	618 Canadian dollar	(3,900) Swedish krona	Jul. 18, 2018	(618)	(606)	12
Unrealized Gains						453



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# MACKENZIE GLOBAL TACTICAL INVESTMENT GRADE BOND FUND

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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 (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized (Losses) (\$ 000s)
AA	387	Australian dollar	(303)	U.S. dollar	Apr. 5, 2018	390	383	(7)
AA	28	Canadian dollar	(22)	U.S. dollar	Apr. 5, 2018	(28)	(28)	–
AA	362	Euro	(450)	U.S. dollar	Apr. 5, 2018	580	574	(6)
AA	7,426	Japanese yen	(71)	U.S. dollar	Apr. 5, 2018	91	91	–
AA	155	New Zealand dollar	(113)	U.S. dollar	Apr. 5, 2018	145	144	(1)
AA	1,959	Norwegian krone	(252)	U.S. dollar	Apr. 5, 2018	325	322	(3)
A	2,046	Canadian dollar	(31,200)	Mexican peso	Apr. 6, 2018	(2,046)	(2,209)	(163)
AA	2,353	Canadian dollar	(1,393)	British pound	Apr. 11, 2018	(2,353)	(2,518)	(165)
AA	1,552	Canadian dollar	(1,240)	U.S. dollar	Apr. 13, 2018	(1,552)	(1,597)	(45)
AA	914	Canadian dollar	(730)	U.S. dollar	Apr. 13, 2018	(914)	(940)	(26)
AA	1,139	Canadian dollar	(7,100)	Norwegian krone	Apr. 20, 2018	(1,139)	(1,167)	(28)
AA	184	Canadian dollar	(145)	U.S. dollar	Apr. 20, 2018	(184)	(186)	(2)
AA	5,857	Canadian dollar	(4,680)	U.S. dollar	Apr. 20, 2018	(5,857)	(6,028)	(171)
A	3,525	Canadian dollar	(2,291)	Euro	Apr. 27, 2018	(3,525)	(3,636)	(111)
A	566	Canadian dollar	(450)	U.S. dollar	Apr. 27, 2018	(566)	(579)	(13)
A	2,483	Canadian dollar	(2,018)	U.S. dollar	Apr. 27, 2018	(2,483)	(2,599)	(116)
A	904	Canadian dollar	(920)	Australian dollar	May 9, 2018	(904)	(910)	(6)
AA	184	Canadian dollar	(145)	U.S. dollar	May 11, 2018	(184)	(186)	(2)
AA	4,795	Canadian dollar	(3,835)	U.S. dollar	May 11, 2018	(4,795)	(4,938)	(143)
AA	1,476	Canadian dollar	(21,980)	Mexican peso	May 11, 2018	(1,476)	(1,547)	(71)
AA	2,904	Canadian dollar	(2,310)	U.S. dollar	Jun. 8, 2018	(2,904)	(2,972)	(68)
AA	3,605	Canadian dollar	(2,810)	U.S. dollar	Jun. 15, 2018	(3,605)	(3,615)	(10)
AA	3,269	Canadian dollar	(271,300)	Japanese yen	Jun. 20, 2018	(3,269)	(3,306)	(37)
A	567	Canadian dollar	(8,209)	Mexican peso	Jul. 13, 2018	(567)	(572)	(5)
Unrealized (Losses)								(1,199)
<b>Total forward currency contracts</b>								<b>(746)</b>
<b>Total derivative instruments at fair value</b>								<b>(938)</b>



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# MACKENZIE GLOBAL TACTICAL INVESTMENT GRADE BOND FUND

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## NOTES TO FINANCIAL STATEMENTS

### 1. Fiscal Periods and General Information

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

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

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

### 2. Basis of Preparation and Presentation

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

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

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

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

### 3. Significant Accounting Policies

#### (a) Financial instruments

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

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

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

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

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

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

# MACKENZIE GLOBAL TACTICAL INVESTMENT GRADE BOND FUND

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## NOTES TO FINANCIAL STATEMENTS

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

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

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

#### (b) Fair value measurement

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

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

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

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

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

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

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

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

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

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

# MACKENZIE GLOBAL TACTICAL INVESTMENT GRADE BOND FUND

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## NOTES TO FINANCIAL STATEMENTS

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

#### (c) Income recognition

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

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

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

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

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

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

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

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

#### (f) Offsetting

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

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

#### (g) Foreign currency

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

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

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

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

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

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

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

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## NOTES TO FINANCIAL STATEMENTS

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

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

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

(k) Mergers

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

### 4. Critical Accounting Estimates and Judgments

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

#### Use of Estimates

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

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

#### Use of Judgments

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

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

##### *Functional currency*

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

##### *Structured entities and associates*

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

### 5. Income Taxes

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

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

## NOTES TO FINANCIAL STATEMENTS

### 6. Management Fees and Operating Expenses

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

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

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

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

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

### 7. Fund's Capital

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

### 8. Financial Instruments Risk

#### i. Risk exposure and management

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

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

#### ii. Liquidity risk

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

#### iii. Currency risk

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

## NOTES TO FINANCIAL STATEMENTS

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

#### iv. Interest rate risk

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

#### v. Other price risk

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

#### vi. Credit risk

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

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

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

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

#### vii. Underlying funds

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

# MACKENZIE GLOBAL TACTICAL INVESTMENT GRADE BOND FUND

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## NOTES TO FINANCIAL STATEMENTS

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

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

Date of Formation 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](http://www.mackenzieinvestments.com))

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

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

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

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

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

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

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

Series PWF and Series PWF6 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 PWF6 securities also want to receive a monthly cash flow of 6% per year. Effective June 1, 2018, Series PWF and Series PWF6 securities were consolidated into Series F and Series F6 securities, respectively.

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

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

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

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

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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# MACKENZIE GLOBAL TACTICAL INVESTMENT GRADE BOND FUND

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## NOTES TO FINANCIAL STATEMENTS

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

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

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Mar. 31, 2018	Mar. 31, 2017
Series A	May 20, 2015	1.45% <sup>(3)</sup>	0.20%	9.75	9.89
Series AR	August 31, 2015	1.45% <sup>(3)</sup>	0.23%	9.85	9.99
Series D	May 20, 2015	0.90%	0.15%	9.80	9.95
Series F	May 20, 2015	0.55% <sup>(5)</sup>	0.15%	9.76	9.90
Series F6	January 12, 2016	0.55% <sup>(5)</sup>	0.15%	13.35	14.07
Series FB	October 26, 2015	0.65%	0.20%	9.82	9.96
Series FB5	October 26, 2015	0.65%	0.20%	13.55	14.18
Series O	November 16, 2017 <sup>(6)</sup>	— <sup>(1)</sup>	— *	9.96	9.91
Series PW	May 20, 2015	1.05%	0.15%	9.74	9.88
Series PWF	May 20, 2015	0.55%	0.15%	9.74	9.89
Series PWF6	April 3, 2017	0.55%	0.15%	14.20	—
Series PWFB	April 3, 2017	0.55%	0.15%	9.84	—
Series PWFB5	April 3, 2017	0.55%	0.15%	14.35	—
Series PWT6	April 3, 2017	1.05%	0.15%	14.16	—
Series PWX	August 21, 2015	— <sup>(2)</sup>	— <sup>(2)</sup>	9.80	9.95
Series R	December 16, 2015	— *	— *	9.80	9.94
Series SC	May 20, 2015	1.15% <sup>(4)</sup>	0.20%	9.74	9.88
Series S6	January 12, 2016	1.15% <sup>(4)</sup>	0.20%	13.15	13.96
Series T6	September 16, 2015	1.45% <sup>(3)</sup>	0.20%	12.92	13.77

\* Not applicable.

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

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

(3) Prior to April 3, 2017, the management fee for this series was charged to the Fund at a rate of 1.50%.

(4) Prior to April 3, 2017, the management fee for this series was charged to the Fund at a rate of 1.25%.

(5) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 0.65%.

(6) The series' original start date was July 15, 2015. All securities in the series were redeemed on October 25, 2017. The series was reinstated at a price of \$10.00 per security on November 16, 2017.

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

As at March 31, 2018, Mackenzie and other funds managed by Mackenzie had an investment of \$14 and \$71,971 (2017 – \$7 and \$32,295), respectively, in the Fund.

#### (c) Loss Carryforwards

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

#### (d) Securities Lending

As at March 31, 2018 and 2017, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.



# MACKENZIE GLOBAL TACTICAL INVESTMENT GRADE BOND FUND

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## NOTES TO FINANCIAL STATEMENTS

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

#### (e) Commissions

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

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

#### (f) Unfunded Credit Agreements

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

	Total Unfunded Commitment Amount (US\$)	Total Number of Commitments	Range of Unfunded Commitment Amounts (US\$)	Range of Commitment Fee Rates (%)	Range of Commitment Period End Date
March 31, 2018	320	3	77 - 133	0.750	June 18, 2018 - August 21, 2018
March 31, 2017	590	2	290 - 300	0.500	August 3, 2017 - 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	41	(21)	–	20
Unrealized losses on derivative contracts	(290)	21	425	156
Liability for options written	–	–	–	–
Total	(249)	–	425	176

	March 31, 2017			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	46	(20)	–	26
Unrealized losses on derivative contracts	(154)	20	1,065	931
Liability for options written	–	–	–	–
Total	(108)	–	1,065	957

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

##### i. Risk exposure and management

The Fund seeks income with an emphasis on capital preservation by investing primarily in a diversified portfolio of investment-grade fixed income securities issued by companies or governments of any size, anywhere in the world.

# MACKENZIE GLOBAL TACTICAL INVESTMENT GRADE BOND FUND

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## NOTES TO FINANCIAL STATEMENTS

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

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

##### ii. Currency risk

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

Currency	March 31, 2018			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
Polish zloty	2,716	–	–	2,716
Indian rupee	2,060	–	–	2,060
New Zealand dollar	2,085	–	(600)	1,485
Russian ruble	670	–	–	670
Turkish lira	542	14	–	556
Brazilian real	403	–	–	403
Australian dollar	4,134	–	(3,735)	399
Norwegian krone	1,164	–	(845)	319
Argentine peso	215	23	–	238
Japanese yen	3,292	–	(3,215)	77
British pound	2,494	–	(2,455)	39
Mexican peso	2,178	–	(2,140)	38
Danish krone	2,357	–	(2,383)	(26)
Euro	1,847	158	(2,934)	(929)
Swiss franc	–	–	(950)	(950)
U.S. dollar	37,336	393	(39,481)	(1,752)
Swedish krona	3,178	176	(7,851)	(4,497)
Total	66,671	764	(66,589)	846
% of Net Assets	62.9	0.7	(62.8)	0.8



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## NOTES TO FINANCIAL STATEMENTS

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

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

##### ii. Currency risk (cont'd)

Currency	March 31, 2017			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	25,798	2,549	(26,160)	2,187
Indian rupee	1,736	–	–	1,736
Norwegian krone	1,108	–	507	1,615
New Zealand dollar	464	–	402	866
Japanese yen	–	–	676	676
Brazilian real	415	–	–	415
Singapore dollar	248	–	–	248
Mexican peso	5,710	–	(5,580)	130
Polish zloty	3,621	–	(3,520)	101
Chilean peso	958	–	(961)	(3)
Danish krone	4,936	–	(4,960)	(24)
Australian dollar	107	1	(312)	(204)
Swiss franc	–	–	(1,668)	(1,668)
Euro	11,668	357	(14,598)	(2,573)
British pound	518	31	(4,730)	(4,181)
Swedish krona	2,018	137	(6,525)	(4,370)
Total	59,305	3,075	(67,429)	(5,049)
% of Net Assets	71.6	3.7	(81.4)	(6.1)

\* Includes both monetary and non-monetary financial instruments

As at March 31, 2018, had the Canadian dollar increased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have increased by approximately \$42 or 0.0% of total net assets (2017 – \$611 or 0.7%). Similarly, had the Canadian dollar decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have decreased by approximately \$42 or 0.0% of total net assets (2017 – \$381 or 0.5%). In practice, the actual trading results may differ and the difference could be material.

##### iii. Interest rate risk

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

Term to Maturity	March 31, 2018 (\$)		March 31, 2017 (\$)	
	Bonds	Derivative Instruments	Bonds	Derivative Instruments
Less than 1 year	4,050	(10,691)	522	(16,962)
1-5 years	36,792	–	20,217	–
5-10 years	47,755	–	41,546	–
Greater than 10 years	9,072	–	14,943	–
Total	97,669	(10,691)	77,228	(16,962)

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 \$3,790 or 3.6% of total net assets (2017 – \$3,800 or 4.6%). In practice, the actual trading results may differ and the difference could be material.

##### iv. Other price risk

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

# MACKENZIE GLOBAL TACTICAL INVESTMENT GRADE BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

FIXED INCOME FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

##### *v. Credit risk*

The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum exposure to any one debt issuer as at March 31, 2018 was 9.9% of the net assets of the Fund (2017 – 10.9%).

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	28.1	29.9
AA	11.4	10.0
A	25.1	26.4
BBB	18.3	16.7
Less than BBB	7.8	9.3
Unrated	1.5	1.0
Total	92.2	93.3

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

#### (i) Fair Value Classification

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

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

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

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

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

	March 31, 2018				March 31, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	97,669	–	97,669	–	77,228	–	77,228
Equities	1,053	–	–	1,053	1,670	–	–	1,670
Options	–	–	–	–	17	190	–	207
Exchange-traded funds/notes	4,775	–	–	4,775	–	–	–	–
Derivative assets	–	453	–	453	26	300	–	326
Derivative liabilities	(192)	(1,199)	–	(1,391)	(84)	(651)	–	(735)
Short-term investments	–	4,326	–	4,326	–	–	–	–
Total	5,636	101,249	–	106,885	1,629	77,067	–	78,696

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

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

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