

Interim Unaudited Financial Statements

For the Six-Month Period Ended September 30, 2018

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

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

NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS

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

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



MACKENZIE USD ULTRA SHORT DURATION INCOME FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

FIXED INCOME FUND

STATEMENTS OF FINANCIAL POSITION

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

	Sep. 30 2018	Mar. 31 2018 (Audited)
	\$	\$
ASSETS		
Current assets		
Investments at fair value	9,589	10,106
Cash and cash equivalents	38	631
Accrued interest receivable	42	44
Accounts receivable for investments sold	1	11
Accounts receivable for securities issued	–	–
Due from manager	–	1
Margin on futures contracts	–	50
Total assets	9,670	10,843
LIABILITIES		
Current liabilities		
Accounts payable for investments purchased	51	142
Accounts payable for securities redeemed	14	1
Due to manager	–	1
Unrealized losses on derivative contracts	52	3
Total liabilities	117	147
Net assets attributable to securityholders	9,553	10,696
Net assets attributable to securityholders per series (note 3)		
Series A	128	896
Series D	1	1
Series F	2,336	701
Series FB	1	1
Series PW	6,295	6,916
Series PWF	–	1,335
Series PWFB	1	1
Series PWX	491	316
Series SC	300	529
Net assets attributable to securityholders per security (note 3)		
Series A	9.77	9.79
Series D	9.78	9.78
Series F	9.68	9.68
Series FB	9.82	9.82
Series PW	9.74	9.74
Series PWF	–	9.69
Series PWFB	9.95	9.94
Series PWX	9.85	9.85
Series SC	9.72	9.72

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended September 30 (note 1)
In thousands of U.S. dollars (except per security figures)

	2018 \$	2017 \$
Income		
Dividends	1	3
Interest Income	145	104
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	28	(202)
Net unrealized gain (loss)	(32)	175
Total income (loss)	142	80
Expenses (note 6)		
Management fees	40	33
Management fee rebates	(2)	(1)
Administration fees	8	7
Commissions and other portfolio transaction costs	3	3
Independent Review Committee fees	–	–
Other	1	1
Expenses before amounts absorbed by Manager	50	43
Expenses absorbed by Manager	7	13
Net expenses	43	30
Increase (decrease) in net assets attributable to securityholders from operations before tax		
	99	50
Foreign withholding taxes	–	–
Foreign income taxes paid (recovered)	–	–
Increase (decrease) in net assets attributable to securityholders from operations	99	50
Increase (decrease) in net assets attributable to securityholders from operations per series		
Series A	3	8
Series D	–	–
Series F	18	9
Series FB	–	–
Series PW	63	17
Series PWF	5	9
Series PWFB	–	–
Series PWX	6	2
Series SC	4	5
Increase (decrease) in net assets attributable to securityholders from operations per security		
Series A	0.08	0.06
Series D	0.10	0.07
Series F	0.10	0.07
Series FB	0.10	0.07
Series PW	0.09	0.06
Series PWF	0.03	0.07
Series PWFB	0.11	0.07
Series PWX	0.13	0.09
Series SC	0.08	0.06

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



MACKENZIE
Investments

MACKENZIE USD ULTRA SHORT DURATION INCOME FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

FIXED INCOME FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION

For the periods ended September 30 (note 1)
In thousands of U.S. dollars

	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Series A		Series D		Series F		Series FB		Series PW	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	896	1,874	1	1	701	1,487	1	1	6,916	2,033
Increase (decrease) in net assets from operations	3	8	–	–	18	9	–	–	63	17
Distributions paid to securityholders:										
Investment income	(3)	(12)	–	–	(20)	(13)	–	–	(65)	(29)
Capital gains	–	–	–	–	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–	(2)	(1)
Total distributions paid to securityholders	(3)	(12)	–	–	(20)	(13)	–	–	(67)	(30)
Security transactions:										
Proceeds from securities issued	28	33	–	–	2,152	198	–	–	1,381	1,922
Reinvested distributions	3	12	–	–	19	12	–	–	64	30
Payments on redemption of securities	(799)	(950)	–	–	(534)	(548)	–	–	(2,062)	(997)
Total security transactions	(768)	(905)	–	–	1,637	(338)	–	–	(617)	955
Total increase (decrease) in net assets	(768)	(909)	–	–	1,635	(342)	–	–	(621)	942
End of period	128	965	1	1	2,336	1,145	1	1	6,295	2,975
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	92	191	–	–	72	153	–	–	710	208
Issued	3	4	–	–	222	20	–	–	141	196
Reinvested distributions	–	1	–	–	2	1	–	–	7	3
Redeemed	(82)	(97)	–	–	(55)	(56)	–	–	(212)	(102)
Securities outstanding – end of period	13	99	–	–	241	118	–	–	646	305
	Series PWF		Series PWFB		Series PWX		Series SC		Total	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	1,335	818	1	–	316	188	529	2,210	10,696	8,612
Increase (decrease) in net assets from operations	5	9	–	–	6	2	4	5	99	50
Distributions paid to securityholders:										
Investment income	(4)	(15)	–	–	(6)	(2)	(3)	(7)	(101)	(78)
Capital gains	–	–	–	–	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–	(2)	(1)
Total distributions paid to securityholders	(4)	(15)	–	–	(6)	(2)	(3)	(7)	(103)	(79)
Security transactions:										
Proceeds from securities issued	399	600	–	1	215	230	261	548	4,436	3,532
Reinvested distributions	4	12	–	–	6	2	3	7	99	75
Payments on redemption of securities	(1,739)	(211)	–	–	(46)	(203)	(494)	(1,959)	(5,674)	(4,868)
Total security transactions	(1,336)	401	–	1	175	29	(230)	(1,404)	(1,139)	(1,261)
Total increase (decrease) in net assets	(1,335)	395	–	1	175	29	(229)	(1,406)	(1,143)	(1,290)
End of period	–	1,213	1	1	491	217	300	804	9,553	7,322
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	138	84	–	–	32	19	54	226		
Issued	41	62	–	–	22	24	28	57		
Reinvested distributions	–	1	–	–	1	–	–	1		
Redeemed	(179)	(22)	–	–	(5)	(21)	(51)	(201)		
Securities outstanding – end of period	–	125	–	–	50	22	31	83		

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

MACKENZIE USD ULTRA SHORT DURATION INCOME FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

FIXED INCOME FUND

STATEMENTS OF CASH FLOWS

For the periods ended September 30 (note 1)
In thousands of U.S. dollars

	2018	2017
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	99	50
Adjustments for:		
Net realized loss (gain) on investments	46	202
Change in net unrealized loss (gain) on investments	32	(175)
Purchase of investments	(2,655)	(2,805)
Proceeds from sale and maturity of investments	3,062	3,420
Change in accrued interest receivable	2	—
Change in due from manager	1	—
Change in due to manager	(1)	—
Change in margin on futures contracts	50	3
Net cash from operating activities	636	695
Cash flows from financing activities		
Proceeds from securities issued	3,046	1,040
Payments on redemption of securities	(4,271)	(2,368)
Distributions paid net of reinvestments	(4)	(4)
Net cash from financing activities	(1,229)	(1,332)
Net increase (decrease) in cash and cash equivalents	(593)	(637)
Cash and cash equivalents at beginning of period	631	799
Effect of exchange rate fluctuations on cash and cash equivalents	—	—
Cash and cash equivalents at end of period	38	162
Cash	38	162
Cash equivalents	—	—
Cash and cash equivalents at end of period	38	162
Supplementary disclosures on cash flow from operating activities:		
Dividends received	1	3
Foreign taxes paid	—	—
Interest received	147	104
Interest paid	—	—

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MACKENZIE USD ULTRA SHORT DURATION INCOME FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

FIXED INCOME FUND

SCHEDULE OF INVESTMENTS

As at September 30, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (US\$ 000s)	Fair Value (US\$ 000s)
BONDS					
Aercap Ireland Capital Designated Activity Co. 3.75% 05-15-2019	Netherlands	Corporate - Non Convertible	150,000	152	150
Alera Group Intermediate Holdings Inc. Term Loan B 1st Lien F/R 07-27-2025	United States	Term Loans	9,975	10	10
American Express Credit Corp. F/R 05-03-2019 Callable 2019	United States	Corporate - Non Convertible	150,000	150	150
American Honda Finance Corp. F/R 11-05-2021	United States	Corporate - Non Convertible	150,000	150	150
Amgen Inc. 1.90% 05-10-2019	United States	Corporate - Non Convertible	120,000	119	119
Anheuser-Busch InBev Worldwide Inc. F/R 01-12-2024	Belgium	Corporate - Non Convertible	150,000	151	150
Apple Inc. F/R 05-06-2019	United States	Corporate - Non Convertible	120,000	121	120
Artis Real Estate Investment Trust 3.753% 03-27-2019	Canada	Corporate - Non Convertible	CAD 80,000	66	62
Artis Real Estate Investment Trust F/R 02-07-2020	Canada	Corporate - Non Convertible	CAD 150,000	121	116
AT&T Inc. 2.30% 03-11-2019	United States	Corporate - Non Convertible	120,000	120	120
ATS Consolidated Inc. Term Loan B 1st Lien F/R 02-23-2025	United States	Term Loans	9,950	10	10
Aviva PLC 4.50% 05-10-2021	United Kingdom	Corporate - Non Convertible	CAD 70,000	59	56
Ball Metalpack Finco LLC Term Loan B 1st Lien F/R 07-26-2025	United States	Term Loans	9,975	10	10
Bank of America Corp. F/R 07-21-2021 Callable 2020	United States	Corporate - Non Convertible	160,000	161	161
Bank of America Corp. F/R 04-24-2022 Callable 2021	United States	Corporate - Non Convertible	CAD 100,000	78	77
Bank of Montreal F/R 12-12-2019	Canada	Corporate - Non Convertible	200,000	200	201
Bank of Montreal 3.32% 06-01-2026	Canada	Corporate - Non Convertible	CAD 20,000	16	16
The Bank of Nova Scotia F/R 12-05-2019	Canada	Corporate - Non Convertible	150,000	151	151
The Bank of Nova Scotia 1.90% 12-02-2021 DPNT	Canada	Corporate - Non Convertible	CAD 10,000	8	8
BMW Canada Inc. F/R 06-14-2019	Germany	Corporate - Non Convertible	CAD 100,000	78	78
Camelot Finance LP Term Loan 1st Lien F/R 10-03-2023	United States	Term Loans	19,602	20	20
Canada Goose Inc. Term Loan 1st Lien F/R 12-22-2021	Canada	Term Loans	10,000	10	10
Canadian Imperial Bank of Commerce F/R 01-17-2019	Canada	Corporate - Non Convertible	CAD 150,000	114	116
Canadian Imperial Bank of Commerce 2.90% 09-14-2021	Canada	Corporate - Non Convertible	CAD 100,000	77	77
Canadian Imperial Bank of Commerce 3.00% 10-28-2024 Callable 2019	Canada	Corporate - Non Convertible	CAD 175,000	135	136
Canadian Western Bank 2.12% 07-29-2019	Canada	Corporate - Non Convertible	CAD 40,000	30	31
CareCentrix Inc. Term Loan 1st Lien F/R 03-22-2025	United States	Term Loans	9,875	10	10
CCS-CMGC Holdings Inc. Term Loan 1st Lien F/R 09-25-2025	United States	Term Loans	10,000	10	10
Central 1 Credit Union F/R 02-05-2021	Canada	Corporate - Non Convertible	CAD 200,000	156	154
CEVA Logistics Finance BV Term Loan B 1st Lien F/R 07-25-2025	United States	Term Loans	10,000	10	10
Charter Communications Operating LLC F/R 02-01-2024 Callable 2024	United States	Corporate - Non Convertible	170,000	170	173
Citigroup Inc. F/R 09-01-2023 Callable 2022	United States	Corporate - Non Convertible	150,000	155	155
Comfort Holding LLC Term Loan 1st Lien F/R 02-05-2024	United States	Term Loans	9,850	10	10
Commonwealth Bank Australia 2.25% 03-13-2019	Australia	Corporate - Non Convertible	150,000	150	150
Corel Corp. Term Loan 1st Lien F/R 05-11-2024	Canada	Term Loans	10,000	10	10
Coronado Australian Holdings Pty Ltd. Term Loan B 1st Lien F/R 03-21-2025	United States	Term Loans	4,828	5	5
Coronado Australian Holdings Pty Ltd. Term Loan C 1st Lien F/R 03-21-2025	United States	Term Loans	1,320	1	1
Crombie Real Estate Investment Trust 3.97% 06-01-2021	Canada	Corporate - Non Convertible	CAD 10,000	8	8
CVS Health Corp. F/R 03-09-2020	United States	Corporate - Non Convertible	160,000	160	160
Daimler Canada Finance Inc. F/R 02-24-2020	Germany	Corporate - Non Convertible	CAD 100,000	77	77
Danske Bank AS F/R 09-06-2019	Denmark	Corporate - Non Convertible	200,000	200	200
Daseke Inc. Term Loan 1st Lien F/R 02-27-2024	United States	Term Loans	9,881	10	10
Dollarama Inc. F/R 03-16-2020	Canada	Corporate - Non Convertible	CAD 215,000	162	167
Dominion Energy Inc. 1.88% 01-15-2019	United States	Corporate - Non Convertible	120,000	120	120



MACKENZIE
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MACKENZIE USD ULTRA SHORT DURATION INCOME FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

FIXED INCOME FUND

SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (US\$ 000s)	Fair Value (US\$ 000s)
BONDS (cont'd)					
EagleTree-Carbide Acquisition Corp. Term Loan 1st Lien F/R 08-28-2024	United States	Term Loans	9,900	10	10
Eastern Power LLC Term Loan B 1st Lien F/R 10-02-2023	United States	Term Loans	10,000	10	10
Ecolab Inc. 2.00% 01-14-2019	United States	Corporate - Non Convertible	120,000	120	120
Electrical Components International Inc. Term Loan 1st Lien F/R 06-22-2025	United States	Term Loans	9,975	10	10
Enbridge Inc. 3.19% 12-05-2022	Canada	Corporate - Non Convertible	CAD 90,000	70	69
EnerCare Solutions Inc. 3.38% 02-21-2022 Callable 2022	Canada	Corporate - Non Convertible	CAD 200,000	156	154
Ensono LP Term Loan 1st Lien F/R 04-30-2025	United States	Term Loans	9,975	10	10
Enterprise Merger Sub Inc. Term Loan 1st Lien F/R 09-28-2025	United States	Term Loans	20,000	20	20
Federation des Caisses Desjardins du Quebec F/R 08-22-2019	Canada	Corporate - Non Convertible	CAD 70,000	53	54
Ford Credit Canada Co. F/R 12-01-2020	United States	Corporate - Non Convertible	CAD 210,000	163	161
Fortified Trust 1.67% 07-23-2021	Canada	Corporate - Non Convertible	CAD 150,000	114	112
Gaz Metro Inc. 1.52% 05-25-2020	Canada	Corporate - Non Convertible	CAD 210,000	160	160
Gentiva Health Services Inc. Term Loan 1st Lien F/R 06-21-2025	United States	Term Loans	9,774	10	10
GlaxoSmithKline Capital PLC F/R 05-14-2021	United Kingdom	Corporate - Non Convertible	150,000	150	151
Glencore Funding LLC F/R 01-15-2019	Chile	Corporate - Non Convertible	150,000	151	150
The Goldman Sachs Group Inc. F/R 12-13-2019	United States	Corporate - Non Convertible	150,000	150	151
Green Plains Inc. Term Loan B 1st Lien F/R 08-29-2023	United States	Term Loans	9,900	10	10
HCN Canadian Holdings-1 LP 3.35% 11-25-2020	United States	Corporate - Non Convertible	CAD 160,000	125	125
Heathrow Funding Ltd. 4.00% 07-03-2019	United Kingdom	Corporate - Non Convertible	CAD 200,000	156	157
HSBC Holdings PLC F/R 05-25-2021	United Kingdom	Corporate - Non Convertible	200,000	207	206
Hub International Ltd. Term Loan B 1st Lien F/R 04-25-2025	United States	Term Loans	9,975	10	10
Hudson River Trading LLC Term Loan 1st Lien F/R 03-20-2025	United States	Term Loans	9,950	10	10
Hyster-Yale Group Inc. Term Loan B 1st Lien F/R 05-30-2023	United States	Term Loans	9,375	9	9
iQor US Inc. Term Loan B 1st Lien F/R 04-01-2021	United States	Term Loans	4,898	4	5
Isagenix International LLC Term Loan 1st Lien F/R 04-26-2025	United States	Term Loans	9,875	10	10
John Deere Canada Funding Inc. F/R 09-21-2020	United States	Corporate - Non Convertible	CAD 215,000	172	167
JPMorgan Chase & Co. F/R 01-23-2020	United States	Corporate - Non Convertible	150,000	152	152
Kellogg Co. 4.15% 11-15-2019	United States	Corporate - Non Convertible	150,000	153	152
Kestrel Acquisition LLC Term Loan B 1st Lien F/R 05-02-2025	United States	Term Loans	9,975	10	10
Laurentian Bank of Canada F/R 04-24-2019	Canada	Corporate - Non Convertible	150,000	150	150
LifeScan Global Corp. Term Loan 1L F/R 06-19-2024	United States	Term Loans	10,000	10	10
Manulife Bank of Canada F/R 01-27-2020 Callable 2019	Canada	Corporate - Non Convertible	CAD 300,000	232	232
McDonald's Corp. 1.88% 05-29-2019	United States	Corporate - Non Convertible	150,000	149	149
Meredith Corp. Term Loan B 1st Lien F/R 01-18-2025	United States	Term Loans	8,864	9	9
Morgan Stanley F/R 01-27-2020	United States	Corporate - Non Convertible	165,000	168	167
Newell Brands Inc. 2.60% 03-29-2019	United States	Corporate - Non Convertible	150,000	150	150
Nissan Motor Acceptance Corp. F/R 01-13-2020	Japan	Corporate - Non Convertible	150,000	150	151
OCI Beaumont LLC Term Loan B 1st Lien F/R 02-16-2025	United States	Term Loans	9,950	10	10
PepsiCo Inc. F/R 10-04-2019	United States	Corporate - Non Convertible	130,000	130	130
PLH Group Inc. Term Loan 1st Lien F/R 08-06-2023	United States	Term Loans	15,000	15	15
Prospect Medical Holdings Inc. Term Loan B 1st Lien F/R 02-15-2024	United States	Term Loans	9,950	10	10
PS HoldCo LLC Term Loan 1st Lien F/R 03-02-2025	United States	Term Loans	9,975	10	10
PSC Industrial Outsourcing LP Term Loan B 1st Lien F/R 10-05-2024	United States	Term Loans	49,625	49	50
R1 RCM Inc. Term Loan B 1st Lien F/R 05-02-2025	United States	Term Loans	10,000	10	10
Red Ventures LLC Term Loan B 1st Lien F/R 11-08-2024	United States	Term Loans	8,175	8	8



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MACKENZIE USD ULTRA SHORT DURATION INCOME FUND

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FIXED INCOME FUND

SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (US\$ 000s)	Fair Value (US\$ 000s)
BONDS (cont'd)					
Royal Bank of Canada of New York F/R 12-07-2018	Canada	Corporate - Non Convertible	300,000	300	301
SIRVA Worldwide Inc. Term Loan 1st Lien F/R 07-31-2025	United States	Term Loans	9,000	9	9
SmartCentres Real Estate Investment Trust F/R 12-21-2020	Canada	Corporate - Non Convertible	CAD 195,000	152	151
SNC-Lavalin Group Inc. F/R 03-02-2021	Canada	Corporate - Non Convertible	CAD 200,000	155	155
Staples Inc. Term Loan 1st Lien F/R 08-15-2024	United States	Term Loans	9,925	10	10
State Street Corp. F/R 08-18-2020	United States	Corporate - Non Convertible	150,000	152	152
Stepstone Group LP Term Loan B 1st Lien F/R 03-19-2025	United States	Term Loans	9,975	10	10
Talen Energy Supply LLC 9.50% 07-15-2022 Callable 2020	United States	Corporate - Non Convertible	10,000	10	10
The Toronto-Dominion Bank F/R 09-17-2020	Canada	Corporate - Non Convertible	200,000	200	200
Toyota Motor Credit Corp. F/R 10-18-2019	United States	Corporate - Non Convertible	150,000	151	151
Traverse Midstream Partners LLC Term Loan B 1st Lien F/R 09-21-2024	United States	Term Loans	10,000	10	10
Uber Technologies Inc. Term Loan 1st Lien F/R 03-21-2025	United States	Term Loans	9,975	10	10
Ultra Clean Holdings Inc. Term Loan B 1st Lien F/R 08-27-2025	United States	Term Loans	10,000	10	10
US Bank NA 2.13% 10-28-2019 Callable 2019	United States	Corporate - Non Convertible	150,000	149	149
Vancouver City Savings Credit Union F/R 04-10-2019	Canada	Corporate - Non Convertible	CAD 330,000	259	256
VeriFone Systems Inc. Term Loan 1st Lien F/R 08-09-2025	United States	Term Loans	10,000	10	10
Verizon Communications Inc. F/R 03-16-2022	United States	Corporate - Non Convertible	150,000	153	153
Vertex Aerospace Services Corp. Term Loan B 1st Lien F/R 06-14-2025	United States	Term Loans	9,975	10	10
VVC Holding Corp. Term Loan 1st Lien F/R 07-03-2025	United States	Term Loans	10,000	10	10
Vyair Medical Inc. Term Loan B 1st Lien F/R 04-06-2025	United States	Term Loans	9,975	10	10
Wells Fargo Bank National Association F/R 12-06-2019	United States	Corporate - Non Convertible	250,000	251	252
Westpac Banking Corp. F/R 03-06-2020	Australia	Corporate - Non Convertible	120,000	121	120
Yak Access LLC Term Loan B 1st Lien F/R 06-26-2025	United States	Term Loans	10,000	10	10
Zotec Partners LLC Term Loan 1st Lien F/R 02-09-2024	United States	Term Loans	9,875	10	10
Total bonds				9,558	9,540
EQUITIES					
Brookfield Asset Management Inc. Pfd. Series 48	Canada	Real Estate	211	4	4
Brookfield Renewable Partners LP Pfd. Series 11	Canada	Utilities	678	13	13
Source Energy Services Ltd.	Canada	Energy	385	3	1
TransAlta Corp. Pfd. Series A	Canada	Utilities	713	7	9
TransCanada Corp. Pfd. Series 15	Canada	Energy	1,104	20	22
Total equities				47	49
OPTIONS					
Options purchased (see schedule of options purchased)			270,020	2	—
Total options				2	—
Transaction costs				(2)	—
Total investments				9,605	9,589
Derivative instruments (see schedule of derivative instruments)					(52)
Cash and cash equivalents					38
Other assets less liabilities					(22)
Total net assets					9,553



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FIXED INCOME FUND

SUMMARY OF INVESTMENT PORTFOLIO

September 30, 2018		March 31, 2018	
Portfolio Allocation	% of NAV	Portfolio Allocation	% of NAV
Bonds	99.9	Bonds	94.0
<i>Bonds</i>	99.9	<i>Bonds</i>	94.0
<i>Purchased options</i>	0.0	<i>Purchased options</i>	0.0
<i>Equities</i>	0.5	<i>Short futures</i>	(0.0)
Cash and short-term investments	0.4	Cash and short-term investments	5.9
Purchased currency options	0.0	Equities	0.4
Other assets (liabilities)	(0.8)	Other assets (liabilities)	(0.3)
Regional Allocation	% of NAV	Regional Allocation	% of NAV
United States	46.9	United States	47.0
Canada	34.6	Canada	29.0
United Kingdom	6.0	Cash and short-term investments	5.9
Australia	2.8	United Kingdom	5.4
Denmark	2.1	Australia	2.5
Germany	1.6	Germany	2.2
Japan	1.6	Denmark	1.9
Netherlands	1.6	Belgium	1.9
Chile	1.6	Netherlands	1.6
Belgium	1.6	Chile	1.4
Cash and short-term investments	0.4	Japan	1.4
Other assets (liabilities)	(0.8)	Colombia	0.1
		Other assets (liabilities)	(0.3)
Sector Allocation	% of NAV	Sector Allocation	% of NAV
Corporate bonds	94.6	Corporate bonds	88.3
Term loans	5.3	Cash and short-term investments	5.9
Cash and short-term investments	0.4	Term loans	5.6
Energy	0.3	Energy	0.2
Utilities	0.2	Utilities	0.2
Other assets (liabilities)	(0.8)	Federal bonds	0.1
		Other assets (liabilities)	(0.3)



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MACKENZIE USD ULTRA SHORT DURATION INCOME FUND

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SCHEDULE OF OPTIONS PURCHASED

As at September 30, 2018

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Paid (US\$ 000s)	Fair Value (US\$ 000s)
Currency Call Option USD/CAD	200,000	Call	Oct. 05, 2018	CAD 1.33	–	–
Currency Call Option USD/CAD	70,000	Call	Oct. 05, 2018	CAD 1.33	–	–
iShares iBoxx \$ High Yield Corporate Bond ETF	13	Put	Nov. 16, 2018	USD 84.00	1	–
iShares iBoxx \$ High Yield Corporate Bond ETF	7	Put	Jan. 18, 2019	USD 84.00	1	–
Total options					2	–



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SCHEDULE OF DERIVATIVE INSTRUMENTS

As at September 30, 2018

Schedule of Forward Currency Contracts

Counterparty Credit Rating	Bought (\$ 000s)	Sold (\$ 000s)	Settlement Date	Contract Cost (US\$ 000s)	Current Fair Value (US\$ 000s)	Unrealized Gains (Losses) (US\$ 000s)
A	12 U.S. dollar	(10) Euro	Nov. 2, 2018	(12)	(12)	–
Unrealized Gains						–
AA	3,050 U.S. dollar	(4,000) Canadian dollar	Nov. 9, 2018	(3,050)	(3,101)	(51)
AA	115 U.S. dollar	(150) Canadian dollar	Nov. 9, 2018	(115)	(116)	(1)
AA	66 U.S. dollar	(85) Canadian dollar	Nov. 9, 2018	(66)	(66)	–
Unrealized (Losses)						(52)
Total forward currency contracts						(52)
Total derivative instruments at fair value						(52)



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NOTES TO FINANCIAL STATEMENTS

1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the six-month periods ended or as at September 30, 2018 and 2017, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 2018, as applicable. In the year a Fund or series is established or reinstated, 'period' represents the period from inception or reinstatement. Refer to Note 9 for the formation date of the Fund and the inception date of each series.

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

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

2. Basis of Preparation and Presentation

These unaudited interim financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including international Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). These financial statements were prepared using the same accounting policies, critical accounting judgements and estimates as applied in the Fund's most recent audited annual financial statements for the year ended March 31, 2018. A summary of the Fund's significant accounting policies under IFRS is presented in Note 3.

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

These financial statements were authorized for issue by the Board of Directors of Mackenzie Financial Corporation on November 13, 2018.

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

3. Significant Accounting Policies

(a) Financial instruments

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

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

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

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

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

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3. Significant Accounting Policies (cont'd)

(a) Financial instruments (cont'd)

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

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

(b) Fair value measurement

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

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

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

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

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

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

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

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

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

Refer to the Schedule of Derivative Instruments and Schedule of Options Purchased/Written, as applicable, included in the Schedule of Investments for a listing of derivative and options positions as at September 30, 2018.

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3. Significant Accounting Policies (cont'd)

(c) Income recognition

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

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

(d) Commissions and other portfolio transaction costs

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

(e) Securities lending, repurchase and reverse repurchase transactions

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

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

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

(f) Offsetting

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

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

(g) Foreign currency

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

Foreign exchange gains (losses) on purchases and sales of foreign currencies are included in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net realized gain (loss).

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

(h) Net assets attributable to securityholders per security

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

(i) Net asset value per security

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

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3. Significant Accounting Policies (cont'd)

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

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

(k) Mergers

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

4. Critical Accounting Estimates and Judgments

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

Use of Estimates

Fair value of securities not quoted in an active market

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

Use of Judgments

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

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

Functional currency

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

Structured entities and associates

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

5. Income Taxes

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

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

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6. Management Fees and Operating Expenses

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

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

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

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

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

7. Fund's Capital

The capital of the Fund, which is comprised of the net assets attributable to securityholders, is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at September 30, 2018 and 2017 and securities issued, reinvested and redeemed for the periods are presented in the Statement of Changes in Financial Position. Mackenzie manages the capital of the Fund in accordance with the investment objectives as discussed in Note 9.

8. Financial Instruments Risk

i. Risk exposure and management

The Fund's investment activities expose it to a variety of financial risks, as defined in IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7"). The Fund's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, as at September 30, 2018, grouped by asset type, with geographic and sector information.

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

ii. Liquidity risk

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

iii. Currency risk

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

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8. Financial Instruments Risk (cont'd)

iv. Interest rate risk

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

v. Other price risk

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

vi. Credit risk

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

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

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

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

vii. Underlying funds

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



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

(a) Fund Formation and Series Information

Date of Formation May 1, 2015

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

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

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

Series A securities are offered to retail investors investing a minimum of \$500 under the redemption charge and low-load purchase options.

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

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

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

Series PW securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000.

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

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 SC securities are offered to retail investors investing a minimum of \$500 under the sales charge purchase option.

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

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.

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (US\$)	
				Sep. 30, 2018	Mar. 31, 2018
Series A	May 20, 2015	1.20%	0.17%	9.77	9.79
Series D	May 20, 2015	0.80%	0.15%	9.78	9.78
Series F	May 20, 2015	0.50% ⁽³⁾	0.15%	9.68	9.68
Series FB	October 26, 2015	0.55%	0.17%	9.82	9.82
Series PW	May 20, 2015	0.75% ⁽⁴⁾	0.15%	9.74	9.74
Series PWF	None issued ⁽⁵⁾	0.55%	0.15%	—	9.69
Series PWFB	April 3, 2017	0.50% ⁽³⁾	0.15%	9.95	9.94
Series PWX	January 12, 2016	— ⁽¹⁾	— ⁽¹⁾	9.85	9.85
Series SC	May 20, 2015	0.80% ⁽²⁾	0.17%	9.72	9.72

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

(2) Prior to April 3, 2017, the management fee for Series SC was charged to the Fund at a rate of 0.90%.

(3) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 0.55%.

(4) Prior to April 3, 2017, the management fee for Series PW was charged to the Fund at a rate of 0.90%. From April 3, 2017, through May 31, 2018, the management fee for Series PW was charged to the Fund at a rate of 0.80%.

(5) The series' original start date was May 20, 2015. All securities in the series were consolidated into Series F on June 1, 2018.



MACKENZIE
Investments

MACKENZIE USD ULTRA SHORT DURATION INCOME FUND

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NOTES TO FINANCIAL STATEMENTS

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

(b) Investments by Mackenzie and Affiliates

As at September 30, 2018, Mackenzie had an investment of \$5 (March 31, 2018 – \$5) in the Fund.

(c) Loss Carryforwards

As at the last taxation year-end, the Fund has capital losses of \$1,660 which may be carried forward indefinitely to reduce future realized capital gains. There were no non-capital losses available to carry forward for tax purposes.

(d) Securities Lending

As at September 30, 2018 and March 31, 2018, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.

(e) Unfunded Credit Agreements

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

	Total Unfunded Commitment Amount (\$)	Total Number of Commitments	Range of Unfunded Commitment Amounts (\$)	Range of Commitment Fee Rates (%)	Range of Commitment Period End Date
September 30, 2018	30	1	30 - 30	0.750	December 17, 2018 - December 17, 2018
March 31, 2018	–	–	–	–	–

(f) Offsetting of Financial Assets and Liabilities

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

	September 30, 2018			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	–	–	–	–
Unrealized losses on derivative contracts	(51)	–	–	(51)
Liability for options written	–	–	–	–
Total	(51)	–	–	(51)

	March 31, 2018			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	–	–	–	–
Unrealized losses on derivative contracts	(3)	–	50	47
Liability for options written	–	–	–	–
Total	(3)	–	50	47

(g) Risks Associated with Financial Instruments

i. Risk exposure and management

The Fund seeks income in U.S. dollars, with an emphasis on capital preservation, by investing primarily in short-term high-quality corporate and government fixed income securities issued in the U.S. with a duration of up to 18 months.

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NOTES TO FINANCIAL STATEMENTS

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

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

ii. Currency risk

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

September 30, 2018				
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
Canadian dollar	3,181	–	(3,553)	(372)
Euro	–	–	(12)	(12)
Total	3,181	–	(3,565)	(384)
% of Net Assets	33.3	–	(37.3)	(4.0)

March 31, 2018				
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
Euro	12	–	–	12
Canadian dollar	2,786	–	(2,783)	3
Total	2,798	–	(2,783)	15
% of Net Assets	26.1	–	(26.0)	0.1

* Includes both monetary and non-monetary financial instruments

As at September 30, 2018, had the U.S. dollar increased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have increased by approximately \$12 or 0.1% of total net assets (March 31, 2018 – decreased by \$1 or 0.0%). Similarly, had the U.S. dollar decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have decreased by approximately \$6 or 0.1% of the total net assets (March 31, 2018 – increased by \$1 or 0.0%). In practice, the actual trading results may differ and the difference could be material.

iii. Interest rate risk

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

Term to Maturity	September 30, 2018 (\$)		March 31, 2018 (\$)	
	Bonds	Derivative Instruments	Bonds	Derivative Instruments
Less than 1 year	2,903	–	3,133	(1,276)
1-5 years	5,700	–	5,955	–
5-10 years	937	–	966	–
Greater than 10 years	–	–	–	–
Total	9,540	–	10,054	(1,276)

As at September 30, 2018, had prevailing interest rates increased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased by approximately \$36 or 0.4% (March 31, 2018 – \$26 or 0.2%) of total net assets. Similarly, had prevailing interest rates decreased by 1%, with all other variables held constant, net assets would have increased by approximately \$39 or 0.4% (March 31, 2018 – \$26 or 0.2%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

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NOTES TO FINANCIAL STATEMENTS

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

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

iv. Other price risk

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

v. Credit risk

The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum exposure to any one debt issuer as at September 30, 2018, was 3.4% of the net assets of the Fund (March 31, 2018 – 2.4%).

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

Bond Rating*	September 30, 2018	March 31, 2018
	% of Net Assets	% of Net Assets
AAA	1.2	2.8
AA	15.0	11.9
A	41.0	43.1
BBB	31.5	29.0
Less than BBB	5.2	6.4
Unrated	6.0	0.8
Total	99.9	94.0

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

(h) Fair Value Classification

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

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

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

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

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

	September 30, 2018				March 31, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	9,540	–	9,540	–	10,054	–	10,054
Equities	49	–	–	49	49	–	–	49
Options	–	–	–	–	–	3	–	3
Derivative liabilities	–	(52)	–	(52)	(1)	(2)	–	(3)
Short-term investments	–	–	–	–	–	610	–	610
Total	49	9,488	–	9,537	48	10,665	–	10,713

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.