

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## MANAGEMENT REPORT

### Management's Responsibility for Financial Reporting

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

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

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

On behalf of Mackenzie Financial Corporation,  
Manager of the Fund



Barry McInerney  
President and Chief Executive Officer



Terry Rountes  
Chief Financial Officer, Funds

July 13, 2020

## INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Mackenzie Cundill Canadian Balanced Fund (the "Fund")

### Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at March 31, 2020 and 2019, and the statements of comprehensive income, changes in financial position and cash flows for the periods then ended, as indicated in Note 1, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2020 and 2019, 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 ("IFRS").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information which comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.



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## INDEPENDENT AUDITOR'S REPORT (cont'd)

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
Toronto, Ontario  
July 13, 2020



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# MACKENZIE CUNDILL CANADIAN BALANCED FUND

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## STATEMENTS OF FINANCIAL POSITION

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

	2020	2019		2020	2019
	\$	\$		\$	\$
<b>ASSETS</b>			<b>Net assets attributable to securityholders</b>		
<b>Current assets</b>			<b>per security (note 3)</b>		
Investments at fair value	459,416	750,184	Series A	7.55	9.16
Cash and cash equivalents	27,366	17,572	Series AR	10.20	12.38
Accrued interest receivable	1,150	2,167	Series D	7.70	9.37
Dividends receivable	584	544	Series F	11.96	14.69
Accounts receivable for investments sold	15,722	3,333	Series F5	11.00	13.80
Accounts receivable for securities issued	13	14	Series F8	5.79	7.49
Due from manager	2	1	Series FB	7.93	9.69
Margin on derivatives	225	1,858	Series FB5	10.18	12.82
Unrealized gains on derivative contracts	2,372	705	Series G	10.38	12.57
<b>Total assets</b>	<b>506,850</b>	<b>776,378</b>	Series I	7.57	9.18
			Series J	9.25	11.23
<b>LIABILITIES</b>			Series O	12.28	15.35
<b>Current liabilities</b>			Series O5	9.34	11.60
Accounts payable for investments purchased	13,934	10,219	Series PW	8.12	9.85
Accounts payable for securities redeemed	307	682	Series PWFB	7.54	9.25
Distribution payable	–	1	Series PWFB5	10.30	12.90
Due to manager	26	–	Series PWR	8.19	–
Unrealized losses on derivative contracts	8,268	1,443	Series PWT5	9.83	12.46
<b>Total liabilities</b>	<b>22,535</b>	<b>12,345</b>	Series PWT8	7.24	9.47
<b>Net assets attributable to securityholders</b>	<b>484,315</b>	<b>764,033</b>	Series PWX	7.58	9.48
<b>Net assets attributable to securityholders</b>			Series PWX8	7.90	10.11
<b>per series (note 3)</b>			Series R	11.95	14.94
Series A	238,800	391,506	Series T5	7.08	9.01
Series AR	28,023	37,060	Series T8	4.54	5.95
Series D	333	414			
Series F	17,608	30,944			
Series F5	103	43			
Series F8	2,069	3,369			
Series FB	270	388			
Series FB5	1	1			
Series G	1,924	2,921			
Series I	5,831	7,666			
Series J	537	736			
Series O	29,422	40,278			
Series O5	1	1			
Series PW	132,076	203,799			
Series PWFB	899	941			
Series PWFB5	1	1			
Series PWR	1,696	–			
Series PWT5	1,921	3,096			
Series PWT8	5,163	9,331			
Series PWX	815	2,254			
Series PWX8	1	175			
Series R	6,891	11,286			
Series T5	1,261	2,445			
Series T8	8,669	15,378			

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



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# MACKENZIE CUNDILL CANADIAN BALANCED FUND

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## STATEMENTS OF COMPREHENSIVE INCOME

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

	2020	2019
	\$	\$
<b>Income</b>		
Dividends	12,165	11,818
Interest income	9,301	12,867
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(37,458)	25,485
Net unrealized gain (loss)	(71,030)	(28,702)
Securities lending income	–	452
Fee rebate income	11	11
<b>Total income (loss)</b>	<b>(87,011)</b>	<b>21,931</b>

### Expenses (note 6)

Management fees	12,019	15,196
Management fee rebates	(38)	(20)
Administration fees	1,314	1,672
Interest charges	8	12
Commissions and other portfolio transaction costs	602	600
Independent Review Committee fees	2	3
Other	1	3
<b>Expenses before amounts absorbed by Manager</b>	<b>13,908</b>	<b>17,466</b>
Expenses absorbed by Manager	–	–
<b>Net expenses</b>	<b>13,908</b>	<b>17,466</b>

<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>(100,919)</b>	<b>4,465</b>
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Foreign withholding taxes	781	760
Foreign income taxes paid (recovered)	–	–

<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>(101,700)</b>	<b>3,705</b>
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<b>Increase (decrease) in net assets attributable to securityholders from operations per series</b>		
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Series A	(51,285)	4,589
Series AR	(5,873)	43
Series D	(64)	14
Series E	–	–
Series F	(3,557)	148
Series F5	(21)	(1)
Series F8	(395)	(38)
Series FB	(53)	16
Series FB5	–	(1)
Series G	(395)	34
Series I	(1,159)	100
Series J	(110)	5
Series O	(5,341)	1,020
Series O5	–	–
Series PW	(27,860)	(3,081)
Series PWF	–	310
Series PWF8	–	88

	2020	2019
	\$	\$
Series PWFB	(175)	1
Series PWFB5	–	(1)
Series PWR	(393)	–
Series PWT5	(405)	(43)
Series PWT8	(1,087)	(87)
Series PWX	(136)	61
Series PWX8	(5)	4
Series R	(1,252)	309
Series T5	(272)	42
Series T8	(1,862)	173

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

Series A	(1.38)	0.09
Series AR	(2.09)	0.02
Series D	(1.54)	0.56
Series E	–	0.31
Series F	(1.96)	0.07
Series F5	(2.48)	(0.16)
Series F8	(0.96)	(0.09)
Series FB	(1.36)	0.39
Series FB5	(2.08)	1.63
Series G	(1.90)	0.13
Series I	(1.45)	0.12
Series J	(1.88)	0.08
Series O	(2.08)	0.37
Series O5	(1.75)	0.29
Series PW	(1.49)	(0.16)
Series PWF	–	0.29
Series PWF8	–	0.31
Series PWFB	(1.46)	0.01
Series PWFB5	(2.03)	(0.31)
Series PWR	(1.98)	–
Series PWT5	(1.85)	(0.18)
Series PWT8	(1.31)	(0.09)
Series PWX	(0.69)	0.22
Series PWX8	(0.33)	0.25
Series R	(1.85)	0.37
Series T5	(1.28)	0.12
Series T8	(0.86)	0.06

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



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# MACKENZIE CUNDILL CANADIAN BALANCED FUND

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## STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	2020		2019		2020		2019		2020		2019	
	Series A		Series AR		Series D		Series E		Series F			
	\$		\$		\$		\$		\$			
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>												
<b>Beginning of period</b>	<b>391,506</b>	<b>628,430</b>	<b>37,060</b>	<b>34,922</b>	<b>414</b>	<b>198</b>	<b>–</b>	<b>9</b>	<b>30,944</b>	<b>24,035</b>		
Increase (decrease) in net assets from operations	(51,285)	4,589	(5,873)	43	(64)	14	–	–	(3,557)	148		
Distributions paid to securityholders:												
Investment income	(713)	(3,275)	(70)	(263)	(5)	(4)	–	–	(720)	(574)		
Capital gains	–	(5,578)	–	(468)	–	(3)	–	–	–	(533)		
Return of capital	–	–	–	–	–	–	–	–	–	–		
Management fee rebates	–	–	–	–	–	–	–	–	(1)	–		
Total distributions paid to securityholders	(713)	(8,853)	(70)	(731)	(5)	(7)	–	–	(721)	(1,107)		
Security transactions:												
Proceeds from securities issued	21,797	38,190	4,995	6,041	63	215	–	–	3,122	17,288		
Reinvested distributions	703	8,736	70	728	5	6	–	–	622	972		
Payments on redemption of securities	(123,208)	(279,586)	(8,159)	(3,943)	(80)	(12)	–	(9)	(12,802)	(10,392)		
Total security transactions	(100,708)	(232,660)	(3,094)	2,826	(12)	209	–	(9)	(9,058)	7,868		
<b>Total increase (decrease) in net assets</b>	<b>(152,706)</b>	<b>(236,924)</b>	<b>(9,037)</b>	<b>2,138</b>	<b>(81)</b>	<b>216</b>	<b>–</b>	<b>(9)</b>	<b>(13,336)</b>	<b>6,909</b>		
<b>End of period</b>	<b>238,800</b>	<b>391,506</b>	<b>28,023</b>	<b>37,060</b>	<b>333</b>	<b>414</b>	<b>–</b>	<b>–</b>	<b>17,608</b>	<b>30,944</b>		

### Increase (decrease) in fund securities (note 7):

	Securities		Securities		Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	<b>42,757</b>	<b>67,176</b>	<b>2,993</b>	<b>2,761</b>	<b>44</b>	<b>21</b>	<b>–</b>	<b>1</b>	<b>2,107</b>	<b>1,601</b>
Issued	2,413	4,108	410	484	6	23	–	–	217	1,131
Reinvested distributions	85	1,025	6	63	1	1	–	–	44	69
Redeemed	(13,605)	(29,552)	(663)	(315)	(8)	(1)	–	(1)	(896)	(694)
<b>Securities outstanding – end of period</b>	<b>31,650</b>	<b>42,757</b>	<b>2,746</b>	<b>2,993</b>	<b>43</b>	<b>44</b>	<b>–</b>	<b>–</b>	<b>1,472</b>	<b>2,107</b>

	Series F5		Series F8		Series FB		Series FB5		Series G	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	<b>43</b>	<b>–</b>	<b>3,369</b>	<b>1,154</b>	<b>388</b>	<b>729</b>	<b>1</b>	<b>16</b>	<b>2,921</b>	<b>3,839</b>
Increase (decrease) in net assets from operations	(21)	(1)	(395)	(38)	(53)	16	–	(1)	(395)	34
Distributions paid to securityholders:										
Investment income	(1)	–	(48)	(67)	(8)	(6)	–	–	(14)	(40)
Capital gains	–	(1)	–	(59)	–	(7)	–	–	–	(46)
Return of capital	(4)	(1)	(182)	(221)	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(5)	(2)	(230)	(347)	(8)	(13)	–	–	(14)	(86)
Security transactions:										
Proceeds from securities issued	81	57	337	3,159	61	263	–	6	57	95
Reinvested distributions	5	2	86	194	8	13	–	–	14	86
Payments on redemption of securities	–	(13)	(1,098)	(753)	(126)	(620)	–	(20)	(659)	(1,047)
Total security transactions	86	46	(675)	2,600	(57)	(344)	–	(14)	(588)	(866)
<b>Total increase (decrease) in net assets</b>	<b>60</b>	<b>43</b>	<b>(1,300)</b>	<b>2,215</b>	<b>(118)</b>	<b>(341)</b>	<b>–</b>	<b>(15)</b>	<b>(997)</b>	<b>(918)</b>
<b>End of period</b>	<b>103</b>	<b>43</b>	<b>2,069</b>	<b>3,369</b>	<b>270</b>	<b>388</b>	<b>1</b>	<b>1</b>	<b>1,924</b>	<b>2,921</b>

### Increase (decrease) in fund securities (note 7):

	Securities		Securities		Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	<b>3</b>	<b>–</b>	<b>450</b>	<b>141</b>	<b>40</b>	<b>74</b>	<b>–</b>	<b>1</b>	<b>232</b>	<b>299</b>
Issued	6	4	46	381	6	26	–	–	5	7
Reinvested distributions	–	–	12	26	1	1	–	–	1	7
Redeemed	–	(1)	(151)	(98)	(13)	(61)	–	(1)	(53)	(81)
<b>Securities outstanding – end of period</b>	<b>9</b>	<b>3</b>	<b>357</b>	<b>450</b>	<b>34</b>	<b>40</b>	<b>–</b>	<b>–</b>	<b>185</b>	<b>232</b>

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

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

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

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

	2020		2019		2020		2019		2020		2019	
	Series I		Series J		Series O		Series O5		Series PW			
	\$		\$		\$		\$		\$			
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>												
<b>Beginning of period</b>	7,666	7,950	736	811	40,278	44,763	1	1	203,799	113,730		
Increase (decrease) in net assets from operations	(1,159)	100	(110)	5	(5,341)	1,020	-	-	(27,860)	(3,081)		
Distributions paid to securityholders:												
Investment income	(49)	(115)	(2)	(7)	(2,080)	(1,079)	-	-	(624)	(1,976)		
Capital gains	-	(113)	-	(10)	-	(765)	-	-	-	(2,905)		
Return of capital	-	-	-	-	-	-	-	-	-	-		
Management fee rebates	(33)	-	(1)	(1)	-	-	-	-	(3)	(15)		
Total distributions paid to securityholders	(82)	(228)	(3)	(18)	(2,080)	(1,844)	-	-	(627)	(4,896)		
Security transactions:												
Proceeds from securities issued	313	496	-	-	1,683	2,028	-	-	17,581	147,200		
Reinvested distributions	82	227	3	18	2,072	1,840	-	-	618	4,831		
Payments on redemption of securities	(989)	(879)	(89)	(80)	(7,190)	(7,529)	-	-	(61,435)	(53,985)		
Total security transactions	(594)	(156)	(86)	(62)	(3,435)	(3,661)	-	-	(43,236)	98,046		
<b>Total increase (decrease) in net assets</b>	<b>(1,835)</b>	<b>(284)</b>	<b>(199)</b>	<b>(75)</b>	<b>(10,856)</b>	<b>(4,485)</b>	<b>-</b>	<b>-</b>	<b>(71,723)</b>	<b>90,069</b>		
<b>End of period</b>	<b>5,831</b>	<b>7,666</b>	<b>537</b>	<b>736</b>	<b>29,422</b>	<b>40,278</b>	<b>1</b>	<b>1</b>	<b>132,076</b>	<b>203,799</b>		

### Increase (decrease) in fund securities (note 7):

	Securities		Securities		Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	835	845	66	71	2,625	2,853	-	-	20,689	11,304
Issued	37	58	-	-	111	131	-	-	1,807	14,265
Reinvested distributions	6	26	-	2	144	124	-	-	70	524
Redeemed	(108)	(94)	(8)	(7)	(483)	(483)	-	-	(6,309)	(5,404)
<b>Securities outstanding – end of period</b>	<b>770</b>	<b>835</b>	<b>58</b>	<b>66</b>	<b>2,397</b>	<b>2,625</b>	<b>-</b>	<b>-</b>	<b>16,257</b>	<b>20,689</b>

	Series PWF		Series PWF8		Series PWF8		Series PWF85		Series PWR	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	-	10,788	-	3,014	941	315	1	1	-	-
Increase (decrease) in net assets from operations	-	310	-	88	(175)	1	-	(1)	(393)	-
Distributions paid to securityholders:										
Investment income	-	-	-	-	(28)	(14)	-	-	(8)	-
Capital gains	-	-	-	-	-	(14)	-	-	-	-
Return of capital	-	-	-	(42)	-	-	-	-	-	-
Management fee rebates	-	(2)	-	(1)	-	-	-	-	-	-
Total distributions paid to securityholders	-	(2)	-	(43)	(28)	(28)	-	-	(8)	-
Security transactions:										
Proceeds from securities issued	-	500	-	1	358	830	-	16	2,605	-
Reinvested distributions	-	1	-	25	28	27	-	-	8	-
Payments on redemption of securities	-	(11,597)	-	(3,085)	(225)	(204)	-	(15)	(516)	-
Total security transactions	-	(11,096)	-	(3,059)	161	653	-	1	2,097	-
<b>Total increase (decrease) in net assets</b>	<b>-</b>	<b>(10,788)</b>	<b>-</b>	<b>(3,014)</b>	<b>(42)</b>	<b>626</b>	<b>-</b>	<b>-</b>	<b>1,696</b>	<b>-</b>
<b>End of period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>899</b>	<b>941</b>	<b>1</b>	<b>1</b>	<b>1,696</b>	<b>-</b>

### Increase (decrease) in fund securities (note 7):

	Securities		Securities		Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	-	1,092	-	279	102	33	-	-	-	-
Issued	-	50	-	-	39	88	-	1	259	-
Reinvested distributions	-	-	-	2	3	3	-	-	1	-
Redeemed	-	(1,142)	-	(281)	(25)	(22)	-	(1)	(53)	-
<b>Securities outstanding – end of period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>119</b>	<b>102</b>	<b>-</b>	<b>-</b>	<b>207</b>	<b>-</b>

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

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

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

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

	2020		2019		2020		2019	
	Series PWT5		Series PWT8		Series PWX		Series PWX8	
	\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>								
<b>Beginning of period</b>	<b>3,096</b>	<b>1,974</b>	<b>9,331</b>	<b>7,456</b>	<b>2,254</b>	<b>2,944</b>	<b>175</b>	<b>174</b>
Increase (decrease) in net assets from operations	(405)	(43)	(1,087)	(87)	(136)	61	(5)	4
Distributions paid to securityholders:								
Investment income	(9)	(32)	(25)	(94)	(109)	(65)	(2)	(4)
Capital gains	–	(45)	–	(134)	–	(44)	–	(3)
Return of capital	(119)	(163)	(561)	(748)	–	–	(10)	(11)
Management fee rebates	–	–	–	(1)	–	–	–	–
Total distributions paid to securityholders	(128)	(240)	(586)	(977)	(109)	(109)	(12)	(18)
Security transactions:								
Proceeds from securities issued	254	2,126	434	4,739	21	41	–	–
Reinvested distributions	25	103	260	506	109	109	12	18
Payments on redemption of securities	(921)	(824)	(3,189)	(2,306)	(1,324)	(792)	(169)	(3)
Total security transactions	(642)	1,405	(2,495)	2,939	(1,194)	(642)	(157)	15
<b>Total increase (decrease) in net assets</b>	<b>(1,175)</b>	<b>1,122</b>	<b>(4,168)</b>	<b>1,875</b>	<b>(1,439)</b>	<b>(690)</b>	<b>(174)</b>	<b>1</b>
<b>End of period</b>	<b>1,921</b>	<b>3,096</b>	<b>5,163</b>	<b>9,331</b>	<b>815</b>	<b>2,254</b>	<b>1</b>	<b>175</b>

	Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>								
<b>Securities outstanding – beginning of period</b>	<b>248</b>	<b>147</b>	<b>986</b>	<b>714</b>	<b>238</b>	<b>304</b>	<b>17</b>	<b>16</b>
Issued	21	156	46	449	3	4	–	–
Reinvested distributions	2	9	29	53	12	12	1	2
Redeemed	(76)	(64)	(348)	(230)	(145)	(82)	(18)	(1)
<b>Securities outstanding – end of period</b>	<b>195</b>	<b>248</b>	<b>713</b>	<b>986</b>	<b>108</b>	<b>238</b>	<b>–</b>	<b>17</b>

	Series R		Series T5		Series T8		Total	
	\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>								
<b>Beginning of period</b>	<b>11,286</b>	<b>14,251</b>	<b>2,445</b>	<b>4,965</b>	<b>15,378</b>	<b>24,913</b>	<b>764,033</b>	<b>931,382</b>
Increase (decrease) in net assets from operations	(1,252)	309	(272)	42	(1,862)	173	(101,700)	3,705
Distributions paid to securityholders:								
Investment income	(542)	(318)	(4)	(22)	(26)	(129)	(5,087)	(8,084)
Capital gains	–	(225)	–	(37)	–	(218)	–	(11,208)
Return of capital	–	–	(85)	(182)	(935)	(1,447)	(1,896)	(2,815)
Management fee rebates	–	–	–	–	–	–	(38)	(20)
Total distributions paid to securityholders	(542)	(543)	(89)	(241)	(961)	(1,794)	(7,021)	(22,127)
Security transactions:								
Proceeds from securities issued	843	392	233	404	366	1,204	55,204	225,291
Reinvested distributions	–	274	34	112	424	937	5,188	19,765
Payments on redemption of securities	(3,444)	(3,397)	(1,090)	(2,837)	(4,676)	(10,055)	(231,389)	(393,983)
Total security transactions	(2,601)	(2,731)	(823)	(2,321)	(3,886)	(7,914)	(170,997)	(148,927)
<b>Total increase (decrease) in net assets</b>	<b>(4,395)</b>	<b>(2,965)</b>	<b>(1,184)</b>	<b>(2,520)</b>	<b>(6,709)</b>	<b>(9,535)</b>	<b>(279,718)</b>	<b>(167,349)</b>
<b>End of period</b>	<b>6,891</b>	<b>11,286</b>	<b>1,261</b>	<b>2,445</b>	<b>8,669</b>	<b>15,378</b>	<b>484,315</b>	<b>764,033</b>

	Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>						
<b>Securities outstanding – beginning of period</b>	<b>755</b>	<b>933</b>	<b>271</b>	<b>511</b>	<b>2,584</b>	<b>3,789</b>
Issued	59	25	27	41	64	192
Reinvested distributions	–	20	4	13	76	155
Redeemed	(238)	(223)	(124)	(294)	(814)	(1,552)
<b>Securities outstanding – end of period</b>	<b>576</b>	<b>755</b>	<b>178</b>	<b>271</b>	<b>1,910</b>	<b>2,584</b>

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

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## STATEMENTS OF CASH FLOWS

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

	2020	2019
	\$	\$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to securityholders from operations	(101,700)	3,705
Adjustments for:		
Net realized loss (gain) on investments	33,039	(34,319)
Change in net unrealized loss (gain) on investments	71,104	28,630
Distributions received in-kind from underlying funds	(96)	(161)
Purchase of investments	(397,589)	(409,791)
Proceeds from sale and maturity of investments	580,894	601,254
Change in accrued interest receivable	1,017	92
Change in dividends receivable	(40)	567
Change in due from manager	(1)	10
Change in margin on derivatives	1,633	(397)
Change in due to manager	26	(105)
<b>Net cash from operating activities</b>	<b>188,287</b>	<b>189,485</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	31,132	58,824
Payments on redemption of securities	(207,691)	(228,573)
Distributions paid net of reinvestments	(1,834)	(2,361)
<b>Net cash from financing activities</b>	<b>(178,393)</b>	<b>(172,110)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>9,894</b>	<b>17,375</b>
Cash and cash equivalents at beginning of period	17,572	208
Effect of exchange rate fluctuations on cash and cash equivalents	(100)	(11)
<b>Cash and cash equivalents at end of period</b>	<b>27,366</b>	<b>17,572</b>
Cash	8,511	5,185
Cash equivalents	18,855	12,387
<b>Cash and cash equivalents at end of period</b>	<b>27,366</b>	<b>17,572</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	12,125	12,385
Foreign taxes paid	781	760
Interest received	10,318	12,959
Interest paid	8	12

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



**MACKENZIE**  
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# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SCHEDULE OF INVESTMENTS

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS</b>					
407 International Inc. 3.14% 03-06-2030 Callable 2029	Canada	Corporate - Non Convertible	160,000	162	167
407 International Inc. 3.65% 09-08-2044 Callable MTN	Canada	Corporate - Non Convertible	190,000	191	198
407 International Inc. 3.72% 05-11-2048 Callable 2047	Canada	Corporate - Non Convertible	840,000	840	891
407 International Inc. 3.67% 03-08-2049 Callable 2048	Canada	Corporate - Non Convertible	190,000	190	200
407 International Inc. 2.84% 03-07-2050	Canada	Corporate - Non Convertible	280,000	280	250
Aegis Toxicology Sciences Corp. Term Loan B 1st Lien F/R 05-09-2025	United States	Term Loans	USD 68,950	87	81
AerCap Ireland Capital Designated Activity Co. 4.45% 10-01-2025 Callable 2025	Ireland	Corporate - Non Convertible	USD 240,000	313	296
AG Merger Sub II Inc. Term Loan B 1st Lien F/R 08-01-2026	United States	Term Loans	USD 32,650	43	35
AIMCo Realty Investors LP 3.04% 06-01-2028 Callable 2028	Canada	Corporate - Non Convertible	370,000	370	387
Air Lease Corp. 2.63% 12-05-2024 Callable 2024	United States	Corporate - Non Convertible	180,000	178	146
Alcami Carolinas Corp. Term Loan 1st Lien F/R 07-06-2025	United States	Term Loans	USD 147,750	194	192
Alchemy US Holdco LLC Term Loan B 1st Lien F/R 10-01-2025	United States	Term Loans	USD 186,750	239	233
Algonquin Power & Utilities Corp. 4.09% 02-17-2027 Callable	Canada	Corporate - Non Convertible	840,000	841	867
Alimentation Couche-Tard Inc. 2.95% 01-25-2030 Callable 2029 144A	Canada	Corporate - Non Convertible	USD 200,000	263	263
AltaLink LP 3.72% 12-03-2046 Callable MTN	Canada	Corporate - Non Convertible	415,000	414	442
Anheuser-Busch InBev Worldwide Inc. 4.75% 01-23-2029 Callable 2028	Belgium	Corporate - Non Convertible	USD 80,000	106	125
APFS Staffing Holdings Inc. Term Loan 1st Lien F/R 04-10-2026	United States	Term Loans	USD 99,250	130	115
ARD Finance SA 6.50% 06-30-2027 Callable 2022 144A	Luxembourg	Corporate - Non Convertible	USD 30,000	40	38
Aroundtown SA 4.63% 09-18-2025 Callable 2025	Germany	Corporate - Non Convertible	480,000	478	492
Ascend Performance Materials Operations LLC Term Loan B 1st Lien F/R 08-16-2026	United States	Term Loans	USD 139,300	181	175
Ball Metalpack Finco LLC Term Loan B 1st Lien F/R 07-26-2025	United States	Term Loans	USD 108,075	141	117
Bank of America Corp. 3.95% 04-21-2025	United States	Corporate - Non Convertible	USD 270,000	328	399
Bank of America Corp. F/R 03-24-2026 Callable 2025	United States	Corporate - Non Convertible	230,000	230	231
Bank of Montreal 2.89% 06-20-2023	Canada	Corporate - Non Convertible	40,000	41	41
Bank of Montreal 3.19% 03-01-2028	Canada	Corporate - Non Convertible	640,000	635	675
Bank of Montreal F/R 09-17-2029 Callable 2024	Canada	Corporate - Non Convertible	50,000	50	49
The Bank of Nova Scotia 2.38% 05-01-2023	Canada	Corporate - Non Convertible	150,000	150	149
BCPE Cycle Merger Sub II Inc. 10.63% 07-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 30,000	40	36
Bell Canada Inc. 3.80% 08-21-2028 Callable 2028	Canada	Corporate - Non Convertible	275,000	273	287
Bell Canada Inc. 2.90% 09-10-2029 Callable 2029	Canada	Corporate - Non Convertible	720,000	717	701
Bell Canada Inc. 4.45% 02-27-2047 Callable 2046	Canada	Corporate - Non Convertible	1,130,000	1,125	1,158
Brookfield Infrastructure Finance ULC 4.20% 09-11-2028 Callable 2028	Canada	Corporate - Non Convertible	830,000	838	842
Brookfield Infrastructure Finance ULC 3.41% 10-09-2029 Callable 2029	Canada	Corporate - Non Convertible	450,000	450	427
Brookfield Renewable Energy Partners ULC 3.63% 01-15-2027 Callable 2026	Canada	Corporate - Non Convertible	310,000	310	315
Brookfield Renewable Partners ULC 4.29% 11-05-2049 Callable 2049	Canada	Corporate - Non Convertible	260,000	260	224
Brookfield Residential Properties Inc. 6.25% 09-15-2027 Callable 2022 144A	Canada	Corporate - Non Convertible	USD 10,000	13	12
Bulldog Purchaser Inc. Term Loan B 1st Lien F/R 08-31-2025	United States	Term Loans	USD 110,592	145	129
BWAY Holding Co. 7.25% 04-15-2025 144A	United States	Corporate - Non Convertible	USD 25,000	31	28
C&D Technologies Inc. Term Loan B 1st Lien F/R 12-13-2025	United States	Term Loans	USD 118,450	139	151
Canadian Imperial Bank of Commerce 2.97% 07-11-2023	Canada	Corporate - Non Convertible	70,000	71	72



**MACKENZIE**  
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# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Canadian Imperial Bank of Commerce F/R 06-19-2029 Callable 2024	Canada	Corporate - Non Convertible	390,000	390	381
Canadian National Railway Co. 3.00% 02-08-2029 Callable 2028	Canada	Corporate - Non Convertible	380,000	379	392
Canadian National Railway Co. 3.05% 02-08-2050 Callable 2049	Canada	Corporate - Non Convertible	240,000	238	219
Capital Power Corp. 4.99% 01-23-2026 Callable 2025	Canada	Corporate - Non Convertible	290,000	290	300
Capital Power Corp. 4.42% 02-08-2030 Callable 2029	Canada	Corporate - Non Convertible	230,000	231	234
Casablanca US Holdings Inc. Term Loan 1st Lien F/R 03-31-2024	United States	Term Loans	USD 333,200	428	385
Cascades Inc. 5.13% 01-15-2025 Callable 2022	Canada	Corporate - Non Convertible	30,000	30	29
Cascades Inc. 5.13% 01-15-2026 Callable 2023 144A	Canada	Corporate - Non Convertible	USD 70,000	93	96
CCL Industries Inc. 3.86% 04-13-2028 Callable 2028	Canada	Corporate - Non Convertible	420,000	420	432
CCS-CMGC Holdings Inc. Term Loan 1st Lien F/R 09-25-2025	United States	Term Loans	USD 88,875	114	101
CEVA Logistics Finance BV Term Loan B 1st Lien F/R 08-03-2025	United States	Term Loans	USD 148,875	190	118
Charter Communications Operating LLC 4.50% 02-01-2024 Callable 2024	United States	Corporate - Non Convertible	USD 440,000	583	642
Charter Communications Operating LLC 5.05% 03-30-2029 Callable 2028	United States	Corporate - Non Convertible	USD 690,000	942	1,051
Choice Properties Real Estate Investment Trust 3.55% 01-10-2025 Callable 2024	Canada	Corporate - Non Convertible	130,000	134	130
Choice Properties Real Estate Investment Trust 4.18% 03-08-2028 Callable 2027	Canada	Corporate - Non Convertible	740,000	740	771
Choice Properties Real Estate Investment Trust 3.53% 06-11-2029 Callable 2029	Canada	Corporate - Non Convertible	480,000	480	485
Choice Properties Real Estate Investment Trust 2.98% 03-04-2030 Callable 2029	Canada	Corporate - Non Convertible	220,000	220	205
Citadel Securities LP Term Loan B 1st Lien F/R 02-27-2026	United States	Term Loans	USD 365,506	480	469
Colbun SA 4.50% 07-10-2024 Callable 2024	Chile	Corporate - Non Convertible	USD 60,000	83	87
Comber Wind Financial Corp. 5.13% 11-15-2030	Canada	Corporate - Non Convertible	1,651,193	1,711	1,851
Commonwealth of Bahamas 5.75% 01-16-2024	Bahamas	Foreign Government	USD 111,000	135	146
Commonwealth of Bahamas 6.95% 11-20-2029	Bahamas	Foreign Government	USD 79,000	119	105
CommScope Technologies LLC 5.00% 03-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 50,000	58	61
Connect Finco SARL 6.75% 10-01-2026	United Kingdom	Corporate - Non Convertible	USD 60,000	80	71
CoolSys Inc. Delayed Draw Term Loan 1st Lien F/R 12-31-2049	United States	Term Loans	USD 17,455	23	24
CoolSys Inc. Term Loan 1st Lien 12-31-2049	United States	Term Loans	USD 102,289	133	141
Cordelio Amalco GP I 4.09% 06-30-2034	Canada	Corporate - Non Convertible	304,506	305	332
Cordelio Amalco GP I 4.09% 09-30-2034	Canada	Corporate - Non Convertible	300,023	300	331
Crown Subsea Communications Holding Inc. Term Loan 1st Lien F/R 11-02-2025	United States	Term Loans	USD 75,385	97	94
CU Inc. 3.96% 07-27-2045 Callable	Canada	Corporate - Non Convertible	250,000	269	273
CU Inc. 3.76% 11-19-2046 Callable 2046	Canada	Corporate - Non Convertible	550,000	550	584
DynCorp International Inc. Term Loan B 1st Lien F/R 08-15-2025	United States	Term Loans	USD 204,750	264	248
EagleTree-Carbide Acquisition Corp. Term Loan 1st Lien F/R 08-28-2024	United States	Term Loans	USD 131,003	167	154
Edgewell Personal Care Co. Term Loan B 1st Lien F/R 09-20-2026	United States	Term Loans	USD 37,000	49	52
Electrical Components International Inc. Term Loan 1st Lien F/R 06-22-2025	United States	Term Loans	USD 176,850	232	191
Enbridge Gas Inc. 2.37% 08-09-2029 Callable 2029	Canada	Corporate - Non Convertible	150,000	150	148
Enbridge Gas Inc. 2.90% 04-01-2030 Callable 2030	Canada	Corporate - Non Convertible	70,000	70	71
Enbridge Gas Inc. 3.01% 08-09-2049 Callable 2049	Canada	Corporate - Non Convertible	140,000	140	130
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate - Non Convertible	780,000	781	645



**MACKENZIE**  
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# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Enbridge Inc. F/R 04-12-2078 Callable 2028	Canada	Corporate - Non Convertible	1,000,000	1,004	974
ENC Holding Corp. Term Loan 1st Lien F/R 05-30-2025	United States	Term Loans	USD 68,845	89	81
ENMAX Corp. 3.33% 06-02-2025	Canada	Corporate - Non Convertible	110,000	110	112
EnTrans International LLC Term Loan 1st Lien F/R 10-29-2025	United States	Term Loans	USD 127,750	166	155
EPCOR Utilities Inc. 3.55% 11-27-2047 Callable 2047	Canada	Corporate - Non Convertible	520,000	517	532
EPCOR Utilities Inc. 3.11% 07-08-2049 Callable 2049	Canada	Corporate - Non Convertible	440,000	440	414
EPR Properties 4.95% 04-15-2028 Callable 2028	United States	Corporate - Non Convertible	USD 370,000	464	485
EPR Properties 3.75% 08-15-2029 Callable 2029	United States	Corporate - Non Convertible	USD 230,000	302	231
Exela Intermediate LLC 10.00% 07-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 43,000	56	17
Fairfax Financial Holdings Ltd. 8.30% 04-15-2026	Canada	Corporate - Non Convertible	USD 1,700,000	1,843	2,876
Fairfax Financial Holdings Ltd. 4.23% 06-14-2029 Callable 2029	Canada	Corporate - Non Convertible	170,000	170	163
Fairfax Financial Holdings Ltd. 7.75% 07-15-2037	Canada	Corporate - Non Convertible	USD 6,130,000	6,371	11,027
First American Payment Systems LP Term Loan B 1st Lien F/R 02-21-2027	United States	Term Loans	USD 100,000	132	124
Forming Machining Industries Holdings LLC Term Loan 1st Lien F/R 10-03-2025	United States	Term Loans	USD 54,313	70	60
FortisAlberta Inc. 3.74% 09-18-2048 Callable 2048	Canada	Corporate - Non Convertible	100,000	100	106
Foundation Building Materials LLC Term Loan B 1st Lien F/R 05-11-2025	United States	Term Loans	USD 88,875	113	111
Foxtrot Escrow Issuer LLC 12.25% 11-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 114,000	146	126
Frontera Generation Holdings LLC Term Loan B 1st Lien F/R 04-25-2025	United States	Term Loans	USD 147,351	188	155
Fusion Connect Inc. Term Loan B 1st Lien F/R 05-03-2023	United States	Term Loans	USD 283,384	354	152
GBT III BV Term Loan 1st Lien F/R 02-27-2027	Netherlands	Term Loans	USD 76,195	100	94
GBT US III LLC Term Loan Delayed Draw 1st Lien F/R 02-27-2027	United States	Term Loans	USD 63,805	84	79
GEMS MENASA (Cayman) Ltd. Term Loan B 1st Lien F/R 07-30-2026	United Arab Emirates	Term Loans	USD 29,576	39	35
GFL Environmental Inc. 5.63% 05-01-2022 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 20,000	26	29
GFL Environmental Inc. 7.00% 06-01-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 24,000	30	33
Gibson Energy Inc. 5.25% 07-15-2024 Callable 2020 REGS	Canada	Corporate - Non Convertible	53,000	53	53
Gibson Energy Inc. 3.60% 09-17-2029 Callable 2029	Canada	Corporate - Non Convertible	270,000	269	239
GLOBALFOUNDRIES Inc. Term Loan B 1st Lien F/R 05-24-2026	United States	Term Loans	USD 287,825	383	349
Government of Bermuda 4.13% 01-03-2023	Bermuda	Foreign Government	USD 430,000	566	644
Government of Bermuda 4.85% 02-06-2024	Bermuda	Foreign Government	USD 201,000	269	316
Government of Bermuda 3.72% 01-25-2027 Callable 2026	Bermuda	Foreign Government	USD 330,000	405	449
Government of Canada 1.50% 09-01-2024	Canada	Federal Government	100,000	104	104
Government of Canada 1.25% 03-01-2025	Canada	Federal Government	30,000	31	31
Government of Canada 1.25% 12-01-2047 Real Return	Canada	Federal Government	5,690,000	7,228	7,724
Greater Toronto Airports Authority 2.73% 04-03-2029 Callable 2029	Canada	Corporate - Non Convertible	260,000	266	264
Greater Toronto Airports Authority 2.75% 10-17-2039	Canada	Corporate - Non Convertible	230,000	230	205
Halo Buyer Inc. Term Loan 1st Lien F/R 06-28-2025	United States	Term Loans	USD 78,602	103	91
HCA Healthcare Inc. 3.50% 09-01-2030 Callable 2030	United States	Corporate - Non Convertible	USD 100,000	133	129
HCA Inc. 5.88% 02-01-2029 Callable 2028	United States	Corporate - Non Convertible	USD 10,000	15	15
Heathrow Funding Ltd. 3.25% 05-21-2025	United Kingdom	Corporate - Non Convertible	200,000	209	205
Heathrow Funding Ltd. 3.40% 03-08-2028	United Kingdom	Corporate - Non Convertible	690,000	689	696
Heathrow Funding Ltd. 3.79% 09-04-2030 Callable 2030	United Kingdom	Corporate - Non Convertible	540,000	540	555
Heritage Power LLC Term Loan B 1st Lien F/R 07-08-2026	United States	Term Loans	USD 149,250	190	174
Hydro One Inc. 2.16% 02-28-2030	Canada	Corporate - Non Convertible	370,000	370	357
Hydro One Inc. 3.72% 11-18-2047	Canada	Corporate - Non Convertible	1,950,000	1,971	2,045



**MACKENZIE**  
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# MACKENZIE CUNDILL CANADIAN BALANCED FUND

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BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Hydro One Inc. 3.63% 06-25-2049 Callable 2048	Canada	Corporate - Non Convertible	450,000	473	465
II-VI Inc. Term Loan B 1st Lien F/R 05-08-2026	United States	Term Loans	USD 20,895	28	25
INEOS Enterprises Holdings US Finco LLC Term Loan B 1st Lien F/R 09-03-2026	United States	Term Loans	USD 81,752	106	104
Innovative Water Care Global Corp. Term Loan 1st Lien F/R 02-27-2026	United States	Term Loans	USD 168,300	210	130
Institutional Shareholder Services Inc. Term Loan 1st Lien F/R 02-26-2026	United States	Term Loans	USD 14,850	20	17
Integro Ltd. United States Term Loan B1 1st Lien F/R 10-31-2022	United States	Term Loans	USD 290,346	368	403
Inter Pipeline Ltd. 2.73% 04-18-2024 Callable 2024	Canada	Corporate - Non Convertible	360,000	363	336
Inter Pipeline Ltd. F/R 03-26-2079 Callable 2029	Canada	Corporate - Non Convertible	190,000	190	169
Inter Pipeline Ltd. F/R 11-19-2079 Callable 2029	Canada	Corporate - Non Convertible	250,000	250	210
Intermedia Holdings Inc. Term Loan B 1st Lien F/R 07-13-2025	United States	Term Loans	USD 118,276	154	153
iQor US Inc. Term Loan 2nd Lien F/R 04-01-2022	United States	Term Loans	USD 350,000	424	139
Isagenix International LLC Term Loan 1st Lien F/R 04-26-2025	United States	Term Loans	USD 237,003	302	124
Keane Group Holdings LLC Term Loan B 1st Lien F/R 05-18-2025	United States	Term Loans	USD 127,725	164	121
Kestrel Acquisition LLC Term Loan B 1st Lien F/R 05-02-2025	United States	Term Loans	USD 127,725	164	108
Keyera Corp. F/R 06-13-2079 Callable 2029	Canada	Corporate - Non Convertible	200,000	200	178
Kruger Products LP 6.00% 04-24-2025 Callable 2021	Canada	Corporate - Non Convertible	15,000	15	14
L&W Inc. Term Loan 1st Lien F/R 05-17-2025	United States	Term Loans	USD 170,883	219	198
LABL Escrow Issuer LLC 6.75% 07-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 22,000	29	29
LABL Escrow Issuer LLC 10.50% 07-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 53,000	71	70
Liberty Utilities (Canada) LP 3.32% 02-14-2050 Callable 2049	Canada	Corporate - Non Convertible	110,000	110	98
LifeMiles Ltd. Term Loan B 1st Lien F/R 08-18-2022	Colombia	Term Loans	USD 213,804	273	245
LifeScan Global Corp. Term Loan 1st Lien F/R 06-19-2024	United States	Term Loans	USD 293,478	373	333
Matterhorn Merger Sub LLC 8.50% 06-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 36,000	46	41
MEG Energy Corp. 7.00% 03-31-2024 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 28,000	37	18
MEG Energy Corp. 7.13% 02-01-2027 Callable 2023 144A	Canada	Corporate - Non Convertible	USD 120,000	158	85
Metronet Systems Holding LLC Term Loan 1st Lien F/R 12-31-2049	United States	Term Loans	USD 79,600	105	107
Milk Specialties Co. Term Loan 1st Lien F/R 08-16-2023	United States	Term Loans	USD 457,113	585	470
Minotaur Acquisition Inc. Term Loan 1st Lien F/R 02-27-2026	United States	Term Loans	USD 158,326	204	189
Multi-Color Corp. Term Loan B 1st Lien F/R 06-17-2026	United States	Term Loans	USD 129,350	171	155
MyNEXUS Inc. Term Loan 1st Lien F/R 06-19-2024	United States	Term Loans	USD 111,000	143	149
NAV Canada 3.29% 03-30-2048 Callable 2047	Canada	Corporate - Non Convertible	380,000	381	375
NAV Canada 3.21% 09-29-2050 Callable 2050	Canada	Corporate - Non Convertible	40,000	40	39
Neenah Foundry Co. Term Loan B 1st Lien F/R 12-08-2022	United States	Term Loans	USD 233,503	299	288
New Red Finance Inc. 5.00% 10-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 5,500	7	7
Nexstar Escrow Inc. 5.63% 07-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 57,000	76	79
Norbord Inc. 5.75% 07-15-2027 Callable 2022 144A	Canada	Corporate - Non Convertible	USD 40,000	53	52
North Battleford Power LP 4.96% 12-31-2032	Canada	Corporate - Non Convertible	835,455	836	972
North West Redwater Partnership 2.80% 06-01-2027 Callable 2027	Canada	Corporate - Non Convertible	785,000	751	774
Nouvelle Autoroute 30 Financement Inc. 4.11% 03-31-2042	Canada	Corporate - Non Convertible	429,728	430	471
Nova Scotia Power Inc. 3.57% 04-05-2049 Callable 2048	Canada	Corporate - Non Convertible	230,000	230	228
Office Depot Inc. Term Loan B 1st Lien F/R 11-08-2022	United States	Term Loans	USD 140,247	175	192
Omega Healthcare Investors Inc. 4.50% 01-15-2025 Callable 2024	United States	Corporate - Non Convertible	USD 540,000	582	737
OMERS Realty Corp. 3.63% 06-05-2030 Callable 2030	Canada	Corporate - Non Convertible	750,000	750	811
Ontario Power Generation Inc. 3.32% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	630,000	630	653
Ontario Power Generation Inc. 2.98% 09-13-2029	Canada	Corporate - Non Convertible	230,000	230	230



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## SCHEDULE OF INVESTMENTS (cont'd)

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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Ontario Power Generation Inc. 3.84% 06-22-2048 Callable 2047	Canada	Corporate - Non Convertible	540,000	563	535
Ontario Power Generation Inc. 4.25% 01-18-2049 Callable 2048	Canada	Corporate - Non Convertible	240,000	250	255
Owens & Minor Inc. Term Loan B 1st Lien F/R 05-01-2025	United States	Term Loans	USD 227,100	287	263
Parkland Fuel Corp. 6.00% 04-01-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 22,000	29	29
Parkland Fuel Corp. 5.88% 07-15-2027 Callable 2022 144A	Canada	Corporate - Non Convertible	USD 2,000	3	3
Paypal Holdings Inc. 2.40% 10-01-2024 Callable 2024	United States	Corporate - Non Convertible	USD 230,000	305	322
PayPal Holdings Inc. 2.65% 10-01-2026	United States	Corporate - Non Convertible	USD 230,000	304	318
Pembina Pipeline Corp. 3.54% 02-03-2025 Callable	Canada	Corporate - Non Convertible	150,000	150	147
Pembina Pipeline Corp. 4.02% 03-27-2028 Callable 2027	Canada	Corporate - Non Convertible	670,000	680	655
Pembina Pipeline Corp. 3.62% 04-03-2029 Callable 2029	Canada	Corporate - Non Convertible	410,000	415	376
Pembina Pipeline Corp. 3.31% 02-01-2030 Callable 2029	Canada	Corporate - Non Convertible	140,000	140	125
Petroleos De Venezuela SA 6.00% 05-16-2024	Venezuela	Corporate - Non Convertible	USD 310,000	99	35
Petroleos Mexicanos 6.50% 03-13-2027	Mexico	Corporate - Non Convertible	USD 50,000	70	52
Pisces Midco Inc. 8.00% 04-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 50,000	64	61
PLH Group Inc. Term Loan 1st Lien F/R 08-06-2023	United States	Term Loans	USD 83,720	106	97
Pluto Acquisition I Inc. Term Loan 1st Lien F/R 06-18-2026	United States	Term Loans	USD 64,513	85	78
Polymer Process Holdings Inc. Term Loan 1st Lien F/R 04-29-2026	United States	Term Loans	USD 138,950	182	178
Project Leopard Holdings Inc. Term Loan 1st Lien F/R 07-07-2023	United States	Term Loans	USD 118,202	152	147
Province of Newfoundland 3.70% 10-17-2048	Canada	Provincial Government	970,000	1,069	1,061
Province of Ontario 1.75% 09-08-2025	Canada	Foreign Government	620,000	627	627
Province of Ontario 2.70% 06-02-2029	Canada	Provincial Government	9,760,000	10,327	10,452
Province of Ontario 2.90% 06-02-2049	Canada	Provincial Government	3,060,000	2,936	3,274
Province of Ontario 2.65% 12-02-2050	Canada	Provincial Government	3,700,000	3,788	3,794
Province of Quebec 1.90% 09-01-2030	Canada	Provincial Government	5,420,000	5,426	5,409
Province of Quebec 3.50% 12-01-2048	Canada	Provincial Government	4,240,000	4,752	5,064
Province of Saskatchewan 3.30% 06-02-2048	Canada	Provincial Government	1,220,000	1,277	1,323
PSC Industrial Outsourcing LP Term Loan B 1st Lien F/R 10-05-2024	United States	Term Loans	USD 263,925	328	354
Rackspace Hosting Inc. 8.63% 11-15-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 190,000	239	241
Reliance Intermediate Holdings LP 6.50% 04-01-2023 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 29,000	39	41
Research Now Group Inc. Term Loan 1st Lien F/R 12-20-2024	United States	Term Loans	USD 86,723	107	110
Rogers Communications Inc. 3.65% 03-31-2027	Canada	Corporate - Non Convertible	170,000	169	176
Rogers Communications Inc. 3.25% 05-01-2029 Callable 2029	Canada	Corporate - Non Convertible	550,000	554	547
Royal Bank of Canada 2.61% 11-01-2024	Canada	Corporate - Non Convertible	110,000	110	110
Royal Bank of Canada 2.33% 01-28-2027	Canada	Corporate - Non Convertible	480,000	480	462
Saputo Inc. 2.88% 11-19-2024 Callable 2024	Canada	Corporate - Non Convertible	140,000	140	138
Scotia Capital Inc. 1.74% 01-01-2025	Canada	Mortgage Backed	882,502	874	898
Sea to Sky Highway Investment LP 2.63% 08-31-2030	Canada	Corporate - Non Convertible	873,655	874	901
Shaw Communications Inc. 3.80% 03-01-2027 Callable	Canada	Corporate - Non Convertible	260,000	273	266
Shaw Communications Inc. 4.40% 11-02-2028 Callable 2028	Canada	Corporate - Non Convertible	850,000	859	902
Shaw Communications Inc. 6.75% 11-09-2039	Canada	Corporate - Non Convertible	120,000	167	145
Shields Health Solutions Holdings LLC Term Loan 1st Lien F/R 08-13-2026	United States	Term Loans	USD 89,550	118	110
Sienna Senior Living Inc. 3.11% 11-04-2024	Canada	Corporate - Non Convertible	110,000	110	110
Silgan Holdings Inc. 4.13% 02-01-2028 Callable 2022 144A	United States	Corporate - Non Convertible	USD 40,000	53	53
SmartCentres Real Estate Investment Trust 3.53% 12-20-2029 Callable 2029	Canada	Corporate - Non Convertible	600,000	611	583
Sprint Spectrum Co. LLC 4.74% 03-20-2025 144A	United States	Corporate - Non Convertible	USD 290,000	375	419
Spy Hill Power LP 4.14% 03-31-2036	Canada	Corporate - Non Convertible	757,529	720	862



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
SS&C Technologies Inc. Term Loan B5 1st Lien F/R 04-16-2025	United States	Term Loans	USD 88,636	116	118
St. Joseph Energy Center LLC Term Loan 1st Lien F/R 04-06-2025	United States	Term Loans	USD 9,317	12	12
Starfruit US Holdco LLC 8.00% 10-01-2026 Callable 2021 144A	Netherlands	Corporate - Non Convertible	USD 70,000	88	94
Sun Life Financial Inc. F/R 08-13-2029 Callable 2024	Canada	Corporate - Non Convertible	100,000	100	96
Suncor Energy Inc. 3.10% 05-24-2029 Callable 2029	Canada	Corporate - Non Convertible	370,000	370	322
Superior Plus LP 7.00% 07-15-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 80,000	106	111
Sydney Airport Finance Co. Pty. Ltd. 3.63% 04-28-2026 Callable 2026 144A	Australia	Corporate - Non Convertible	USD 1,250,000	1,590	1,813
Sysco Canada Inc. 3.65% 04-25-2025 Callable 2025	United States	Corporate - Non Convertible	500,000	503	457
Target Corp. 2.25% 04-15-2025 Callable 2025	United States	Corporate - Non Convertible	USD 110,000	154	156
TELUS Corp. 2.75% 07-08-2026	Canada	Corporate - Non Convertible	450,000	438	442
TELUS Corp. 3.30% 05-02-2029 Callable 2029	Canada	Corporate - Non Convertible	470,000	472	464
TELUS Corp. 3.15% 02-19-2030 Callable 2029	Canada	Corporate - Non Convertible	680,000	689	662
TELUS Corp. 4.70% 03-06-2048 Callable 2047	Canada	Corporate - Non Convertible	180,000	176	186
Teneo Holdings LLC Term Loan B 1st Lien F/R 07-12-2025	United States	Term Loans	USD 34,427	43	40
Terrier Media Buyer Inc. Term Loan B 1st Lien F/R 12-12-2026	United States	Term Loans	USD 119,700	157	153
Teva Pharmaceutical Industries Ltd. 2.80% 07-21-2023	Israel	Corporate - Non Convertible	USD 49,000	56	64
Titan Sub LLC Term Loan B 1st Lien F/R 09-19-2026	United States	Term Loans	USD 79,800	105	96
TMX Group Ltd. 3.78% 06-05-2028 Callable 2028	Canada	Corporate - Non Convertible	280,000	281	282
The Toronto-Dominion Bank 1.91% 07-18-2023 DPNT	Canada	Corporate - Non Convertible	50,000	49	50
The Toronto-Dominion Bank 4.86% 03-04-2031 Callable 2026	Canada	Corporate - Non Convertible	50,000	56	53
Toyota Credit Canada Inc. 2.11% 02-26-2025	Canada	Corporate - Non Convertible	10,000	10	10
TransCanada Pipelines Ltd. 3.00% 09-18-2029 Callable 2029	Canada	Corporate - Non Convertible	460,000	463	437
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	850,000	832	677
Transurban Finance Co. Pty. Ltd. 4.56% 11-14-2028 Callable 2028	Australia	Corporate - Non Convertible	880,000	880	971
Trillium Windpower LP 5.80% 02-15-2033	United States	Corporate - Non Convertible	771,808	772	905
Trulieve Cannabis Corp. 9.75% 06-18-2024	United States	Corporate - Non Convertible	USD 70,000	92	73
Uber Technologies Inc. 8.00% 11-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 130,000	169	183
Ultra Clean Holdings Inc. Term Loan B 1st Lien F/R 08-27-2025	United States	Term Loans	USD 103,520	133	126
Union Gas Ltd. 3.59% 11-22-2047 Callable 2047	Canada	Corporate - Non Convertible	510,000	509	533
United States Treasury 1.50% 10-31-2024	United States	Foreign Government	USD 60,000	79	89
United States Treasury 0.12% 01-15-2030 Inflation Indexed	United States	Foreign Government	USD 2,200,000	3,268	3,203
United States Treasury 1.00% 02-15-2049 Inflation Indexed	United States	Foreign Government	USD 2,050,000	3,395	3,677
Vancouver Airport Authority 3.66% 11-23-2048 Callable 2048	Canada	Corporate - Non Convertible	450,000	450	463
Vancouver Airport Authority 2.87% 10-18-2049	Canada	Corporate - Non Convertible	220,000	220	195
Ventas Canada Finance Ltd. 2.55% 03-15-2023 Callable 2023	United States	Corporate - Non Convertible	140,000	140	137
Ventas Inc. 2.80% 04-12-2024 Callable 2024	United States	Corporate - Non Convertible	210,000	210	211
Ventas Realty LP 4.00% 03-01-2028 Callable 2027	United States	Corporate - Non Convertible	USD 480,000	623	676
VeriFone Systems Inc. Term Loan 1st Lien F/R 08-09-2025	United States	Term Loans	USD 108,625	141	100
Vertex Aerospace Services Corp. Term Loan B 1st Lien F/R 06-14-2025	United States	Term Loans	USD 68,477	89	84
Videotron Ltd. 4.50% 01-15-2030 Callable 2024	Canada	Corporate - Non Convertible	530,000	530	471
Vodafone Group PLC 3.75% 01-16-2024	United Kingdom	Corporate - Non Convertible	USD 230,000	293	338
Vungle Inc. Term Loan B 1st Lien F/R 09-30-2026	United States	Term Loans	USD 119,400	156	150
VVC Holding Corp. Term Loan B 1st Lien F/R 02-07-2026	United States	Term Loans	USD 3,390	4	4
Waste Management of Canada Corp. 2.60% 09-23-2026 Callable 2026	Canada	Corporate - Non Convertible	460,000	459	458
Wells Fargo & Co. 2.49% 02-18-2027	United States	Corporate - Non Convertible	530,000	530	498
Welltower Inc. 4.25% 04-15-2028 Callable 2028	United States	Corporate - Non Convertible	USD 440,000	586	651



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<b>BONDS (cont'd)</b>					
Welltower Inc. 4.13% 03-15-2029 Callable 2028	United States	Corporate - Non Convertible	USD 330,000	436	487
Williams Scotsman International Inc. 7.88% 12-15-2022 Callable 2020 144A	United States	Corporate - Non Convertible	USD 58,000	74	80
Wolverine World Wide Inc. 8.50% 11-15-2024 Callable 2021 144A	United States	Corporate - Non Convertible	USD 60,000	79	69
Yak Access LLC Term Loan B 1st Lien F/R 06-26-2025	United States	Term Loans	USD 187,808	240	196
Zotec Partners LLC Term Loan Term B 1st Lien F/R 02-14-2024	United States	Term Loans	USD 25,843	32	33
<b>Total bonds</b>				<b>124,729</b>	<b>131,386</b>
<b>EQUITIES</b>					
Air Canada	Canada	Industrials	101,643	1,809	1,601
Alimentation Couche-Tard Inc. Class B Sub. voting	Canada	Consumer Staples	249,195	7,805	8,261
Alphabet Inc. Class A	United States	Communication Services	1,969	3,108	3,225
AltaGas Ltd. Pfd. Series K	Canada	Energy	12,021	301	200
Bank of America Corp.	United States	Financials	208,844	2,500	6,251
The Bank of Nova Scotia	Canada	Financials	254,412	17,042	14,621
BCE Inc.	Canada	Communication Services	119,684	7,359	6,909
Becton, Dickinson and Co.	United States	Health Care	14,848	4,834	4,810
Berkshire Hathaway Inc. Class B	United States	Financials	19,413	5,658	5,004
Boardwalk Real Estate Investment Trust	Canada	Real Estate	130,433	4,857	2,988
Brookfield Asset Management Inc. Class A limited voting	Canada	Financials	253,402	14,359	15,808
Brookfield Asset Management Inc. Pfd. Series 46	Canada	Real Estate	9,118	228	184
Brookfield Asset Management Inc. Pfd. Series 48	Canada	Real Estate	6,639	166	131
Brookfield Property Partners LP	United States	Real Estate	234,846	6,018	2,668
Brookfield Renewable Partners LP Pfd. Series 11	Canada	Utilities	23,197	580	417
Canadian National Railway Co.	Canada	Industrials	98,919	8,108	10,884
Canadian Pacific Railway Ltd.	Canada	Industrials	24,118	4,395	7,490
Celestica Inc. Sub. voting	Canada	Information Technology	800,142	5,561	3,953
CGI Inc.	Canada	Information Technology	17,534	1,261	1,336
Cisco Systems Inc.	United States	Information Technology	68,457	4,264	3,794
Citigroup Inc.	United States	Financials	156,790	6,572	9,310
CK Hutchison Holdings Ltd.	Hong Kong	Industrials	283,000	3,505	2,676
Coca-Cola European Partners PLC	United Kingdom	Consumer Staples	32,723	2,364	1,731
Comcast Corp. Class A	United States	Communication Services	87,497	4,381	4,241
Compagnie Financière Richemont SA	Switzerland	Consumer Discretionary	41,520	3,781	3,205
Corus Entertainment Inc. Class B non-voting	Canada	Communication Services	1,175,210	7,326	2,950
CVS Health Corp.	United States	Health Care	40,244	4,568	3,366
Dollar Tree Inc.	United States	Consumer Discretionary	57,423	6,739	5,948
Empire Co. Ltd. Class A non-voting	Canada	Consumer Staples	266,392	5,770	7,334
Enbridge Inc.	Canada	Energy	337,123	16,836	13,815
Fairfax Financial Holdings Ltd. Sub. voting	Canada	Financials	13,760	8,431	5,936
Hang Lung Properties Ltd.	Hong Kong	Real Estate	2,131,000	5,825	6,076
Hitachi Ltd.	Japan	Information Technology	108,400	3,867	4,446
Johnson & Johnson	United States	Health Care	43,121	7,677	7,972
Kirin Holdings Co. Ltd.	Japan	Consumer Staples	71,600	2,140	1,998
Koninklijke Philips NV	Netherlands	Health Care	90,519	5,641	5,159
Liberty Global PLC Class A	United Kingdom	Communication Services	181,832	7,403	4,232
Magna International Inc.	Canada	Consumer Discretionary	27,481	1,190	1,234
Manulife Financial Corp.	Canada	Financials	428,361	9,804	7,569
Mondelez International Inc.	United States	Consumer Staples	58,167	4,377	4,107



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<b>EQUITIES (cont'd)</b>					
Novartis AG Reg.	Switzerland	Health Care	16,196	1,989	1,885
Nutrien Ltd.	Canada	Materials	84,482	4,425	4,064
Oracle Corp.	United States	Information Technology	115,363	6,934	7,860
Philip Morris International Inc.	United States	Consumer Staples	52,123	5,760	5,361
Reckitt Benckiser Group PLC	United Kingdom	Consumer Staples	24,305	2,503	2,628
Rogers Communications Inc. Class B non-voting	Canada	Communication Services	138,983	8,790	8,164
Royal Bank of Canada	Canada	Financials	90,869	7,895	7,921
Samsung Electronics Co. Ltd.	South Korea	Information Technology	128,639	4,509	7,037
Sanofi	France	Health Care	43,792	5,264	5,429
SAP AG	Germany	Information Technology	29,916	4,885	4,838
SNC-Lavalin Group Inc.	Canada	Industrials	473,500	10,574	9,830
Suncor Energy Inc.	Canada	Energy	256,557	8,739	5,762
TC Energy Corp. Pfd. Series 15	Canada	Energy	16,761	420	337
Teck Resources Ltd. Class B	Canada	Materials	445,688	6,982	4,755
TELUS Corp.	Canada	Communication Services	254,214	6,020	5,656
The Toronto-Dominion Bank	Canada	Financials	119,282	6,976	7,137
Tourmaline Oil Corp.	Canada	Energy	191,838	3,605	1,657
TransAlta Corp. Pfd. Series A	Canada	Utilities	30,107	399	241
Trulieve Cannabis Corp. Purchase Warrants Exp. 06-18-2022	United States	Health Care	1,520	—	3
Wells Fargo & Co.	United States	Financials	23,479	1,550	950
Westshore Terminals Investment Corp.	Canada	Industrials	360,217	7,521	4,712
Zimmer Biomet Holdings Inc.	United States	Health Care	9,535	1,593	1,359
<b>Total equities</b>				<b>325,743</b>	<b>301,426</b>
<b>OPTIONS</b>					
Options purchased (see schedule of options purchased)				263	2,052
<b>Total options</b>				<b>263</b>	<b>2,052</b>
<b>EXCHANGE-TRADED FUNDS/NOTES</b>					
Mackenzie Emerging Markets Bond Index ETF (CAD-Hedged)	Canada	Exchange-Traded Funds/Notes	22,334	2,241	1,900
Mackenzie Emerging Markets Local Currency Bond Index ETF	United States	Exchange-Traded Funds/Notes	10,957	1,119	1,012
Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged)	Canada	Exchange-Traded Funds/Notes	31,787	3,162	3,197
<b>Total exchange-traded funds/notes</b>				<b>6,522</b>	<b>6,109</b>
<b>MUTUAL FUNDS</b>					
Mackenzie Credit Absolute Return Fund Series R	Canada	Mutual Funds	367,025	3,701	3,605
Mackenzie Global Credit Opportunities Fund Series R	Canada	Mutual Funds	1,064,948	10,633	9,016
Mackenzie Global Tactical Bond Fund Series R	Canada	Mutual Funds	628,676	6,272	5,822
<b>Total mutual funds</b>				<b>20,606</b>	<b>18,443</b>
Transaction costs				(381)	—
<b>Total investments</b>				<b>477,482</b>	<b>459,416</b>
Derivative instruments (see schedule of derivative instruments)					(5,896)
Cash and cash equivalents					27,366
Other assets less liabilities					3,429
<b>Total net assets</b>					<b>484,315</b>



**MACKENZIE**  
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# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2020		March 31, 2019	
Effective Portfolio Allocation	% of NAV	Effective Portfolio Allocation	% of NAV
Equities	62.4	Equities	62.4
Bonds	32.3	Bonds	34.7
<i>Bonds</i>	31.9	<i>Bonds</i>	34.8
<i>Purchased options</i>	0.4	<i>Purchased options</i>	0.0
<i>Short futures</i>	0.0	<i>Short futures</i>	(0.1)
Cash and short-term investments	5.9	Cash and short-term investments	2.7
Other assets (liabilities)	(0.6)	Exchange-traded funds/notes	0.6
		Other assets (liabilities)	(0.4)
Effective Regional Allocation	% of NAV	Effective Regional Allocation	% of NAV
Canada	56.6	Canada	60.6
United States	23.9	United States	25.6
Cash and short-term investments	5.9	Cash and short-term investments	2.7
United Kingdom	2.3	United Kingdom	2.2
Hong Kong	1.8	Switzerland	1.6
South Korea	1.5	Japan	1.4
Japan	1.4	South Korea	1.0
Other	1.4	Other	1.0
Netherlands	1.2	Hong Kong	0.8
France	1.2	Luxembourg	0.7
Germany	1.1	France	0.6
Switzerland	1.1	New Zealand	0.6
Australia	0.6	China	0.6
Bermuda	0.3	Australia	0.4
China	0.2	Bermuda	0.4
Mexico	0.1	Netherlands	0.2
Other assets (liabilities)	(0.6)	Other assets (liabilities)	(0.4)
Effective Sector Allocation	% of NAV	Effective Sector Allocation	% of NAV
Corporate bonds	17.7	Corporate bonds	16.5
Financials	16.7	Financials	14.3
Industrials	7.7	Energy	12.8
Communication services	7.3	Consumer staples	7.7
Information technology	6.9	Industrials	7.0
Consumer staples	6.5	Federal bonds	5.6
Provincial bonds	6.3	Provincial bonds	5.6
Health care	6.2	Term loans	4.8
Cash and short-term investments	5.9	Materials	4.3
Energy	4.5	Information technology	3.7
Foreign government bonds	3.4	Other	3.7
Term loans	2.7	Consumer discretionary	3.4
Other	2.4	Communication services	3.0
Real estate	2.4	Health care	2.9
Consumer discretionary	2.2	Cash and short-term investments	2.7
Materials	1.8	Real estate	2.4
Other assets (liabilities)	(0.6)	Other assets (liabilities)	(0.4)

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

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SCHEDULE OF OPTIONS PURCHASED

As at March 31, 2020

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Paid (\$ 000s)	Fair Value (\$ 000s)
iShares iBoxx \$ High Yield Corporate Bond ETF	582	Put	May 15, 2020	USD 85.00	118	700
iShares iBoxx \$ High Yield Corporate Bond ETF	698	Put	Jun. 19, 2020	USD 86.00	105	992
iShares iBoxx \$ High Yield Corporate Bond ETF	233	Put	Jun. 19, 2020	USD 87.00	40	360
<b>Total options</b>					<b>263</b>	<b>2,052</b>



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# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SCHEDULE OF DERIVATIVE INSTRUMENTS

As at March 31, 2020

### Schedule of Futures Contracts

Number of Contracts	Type of Contract	Expiration Date	Average Rate of Contracts (\$)	Notional Value* (\$ 000s)	Unrealized Gains (\$ 000s)
(12)	Euro-BTP Futures June 2020	Jun. 8, 2020	141.98 EUR	(2,635)	10
Unrealized Gains				(2,635)	10
<b>Total futures contracts</b>				<b>(2,635)</b>	<b>10</b>

\* Notional value represents the exposure to the underlying instruments as at March 31, 2020

### Schedule of Forward Currency Contracts

Counterparty Credit Rating	Bought (\$ 000s)	Sold (\$ 000s)	Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized Gains (Losses) (\$ 000s)	
A	1,930	U.S. dollar (2,558)	Canadian dollar	Apr. 3, 2020	2,558	2,721	163
AA	355	U.S. dollar (490)	Canadian dollar	Apr. 3, 2020	490	500	10
AA	597	U.S. dollar (837)	Canadian dollar	Apr. 3, 2020	837	841	4
A	2,430	U.S. dollar (3,340)	Canadian dollar	Apr. 17, 2020	3,340	3,421	81
A	1,232	U.S. dollar (1,603)	Canadian dollar	Apr. 24, 2020	1,603	1,733	130
A	575	U.S. dollar (762)	Canadian dollar	Apr. 24, 2020	762	809	47
A	620	U.S. dollar (833)	Canadian dollar	Apr. 24, 2020	833	873	40
AA	620	U.S. dollar (833)	Canadian dollar	Apr. 24, 2020	833	873	40
AA	247	U.S. dollar (339)	Canadian dollar	Apr. 24, 2020	339	347	8
AA	355	U.S. dollar (493)	Canadian dollar	Apr. 24, 2020	493	500	7
A	877	Canadian dollar (620)	U.S. dollar	Apr. 24, 2020	(877)	(873)	4
A	10	U.S. dollar (13)	Canadian dollar	May 8, 2020	13	14	1
A	620	U.S. dollar (833)	Canadian dollar	May 8, 2020	833	872	39
A	2,830	Canadian dollar (2,002)	U.S. dollar	May 8, 2020	(2,830)	(2,816)	14
A	5,390	Canadian dollar (6,226)	New Zealand dollar	May 13, 2020	(5,390)	(5,223)	167
A	6,226	New Zealand dollar (5,143)	Canadian dollar	May 13, 2020	5,143	5,223	80
AA	10	Euro (14)	Canadian dollar	May 15, 2020	14	15	1
AA	5,032	Canadian dollar (3,218)	Euro	May 15, 2020	(5,032)	(5,000)	32
A	1,283	British pound (2,206)	Canadian dollar	May 15, 2020	2,206	2,243	37
AA	16,507	U.S. dollar (21,827)	Canadian dollar	May 15, 2020	21,827	23,217	1,390
AA	2,681	Canadian dollar (1,900)	U.S. dollar	May 22, 2020	(2,681)	(2,672)	9
A	390	U.S. dollar (524)	Canadian dollar	Jun. 12, 2020	524	548	24
A	247	U.S. dollar (339)	Canadian dollar	Jun. 12, 2020	339	347	8
AA	247	U.S. dollar (339)	Canadian dollar	Jun. 19, 2020	339	347	8
A	355	U.S. dollar (490)	Canadian dollar	Jun. 19, 2020	490	499	9
AA	355	U.S. dollar (490)	Canadian dollar	Jun. 19, 2020	490	499	9
Unrealized Gains						2,362	
A	1,950	Canadian dollar (1,492)	U.S. dollar	Apr. 3, 2020	(1,950)	(2,103)	(153)
AA	1,244	Canadian dollar (952)	U.S. dollar	Apr. 3, 2020	(1,244)	(1,342)	(98)
A	616	Canadian dollar (438)	U.S. dollar	Apr. 3, 2020	(616)	(618)	(2)
AA	1,450	U.S. dollar (2,053)	Canadian dollar	Apr. 17, 2020	2,053	2,042	(11)
A	2,356	Canadian dollar (1,807)	U.S. dollar	Apr. 24, 2020	(2,356)	(2,543)	(187)
AA	12,669	Canadian dollar (9,710)	U.S. dollar	Apr. 24, 2020	(12,669)	(13,665)	(996)
A	13	Canadian dollar (10)	U.S. dollar	May 8, 2020	(13)	(14)	(1)
A	2,742	Canadian dollar (2,098)	U.S. dollar	May 8, 2020	(2,742)	(2,951)	(209)
A	1,925	Canadian dollar (1,120)	British pound	May 15, 2020	(1,925)	(1,958)	(33)

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SCHEDULE OF DERIVATIVE INSTRUMENTS (cont'd)

As at March 31, 2020

### 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)
A	276	Canadian dollar	(161)	British pound	May 15, 2020	(276)	(281)	(5)
AA	7,786	Canadian dollar	(640,063)	Japanese yen	May 15, 2020	(7,786)	(8,388)	(602)
AA	643,472	Japanese yen	(8,467)	Canadian dollar	May 15, 2020	8,467	8,433	(34)
AA	39,396	Canadian dollar	(29,793)	U.S. dollar	May 15, 2020	(39,396)	(41,904)	(2,508)
A	25,507	Canadian dollar	(19,290)	U.S. dollar	May 15, 2020	(25,507)	(27,131)	(1,624)
AA	10,743	Canadian dollar	(8,110)	U.S. dollar	May 22, 2020	(10,743)	(11,407)	(664)
AA	14,400	Canadian dollar	(10,770)	U.S. dollar	Jun. 19, 2020	(14,400)	(15,144)	(744)
A	7,314	Canadian dollar	(5,474)	U.S. dollar	Jun. 19, 2020	(7,314)	(7,697)	(383)
A	547	Canadian dollar	(397)	U.S. dollar	Jun. 19, 2020	(547)	(558)	(11)
AA	1,023	Canadian dollar	(730)	U.S. dollar	Jul. 10, 2020	(1,023)	(1,026)	(3)
Unrealized (Losses)								(8,268)
<b>Total forward currency contracts</b>								<b>(5,906)</b>
<b>Total derivative instruments at fair value</b>								<b>(5,896)</b>



**MACKENZIE**  
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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, 2020 and 2019, 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 Corporation of Canada. The Canada Life Assurance Company is also a subsidiary of Power Corporation of Canada. 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 July 13, 2020.

### 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 or 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 period-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.

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 funds 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.

## NOTES TO FINANCIAL STATEMENTS

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

#### (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 derivatives. 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, 2020.

#### (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.

## NOTES TO FINANCIAL STATEMENTS

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

(d) Commissions and other portfolio transaction costs

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

(e) Securities lending, repurchase and reverse repurchase transactions

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

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

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

(f) Offsetting

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

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

(g) Foreign currency

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

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

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

(h) Net assets attributable to securityholders per security

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

(i) Net asset value per security

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

(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.

## NOTES TO FINANCIAL STATEMENTS

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

#### (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.

The outbreak of the novel coronavirus (COVID-19) developed rapidly over the first three months of 2020, with the World Health Organization declaring it a pandemic on March 11, 2020, and governments around the world enacting emergency measures that resulted in business disruptions, volatility in markets and a global economic slowdown.

The Manager uses judgment in assessing the impact from such events on assumptions and estimates applied in reporting the assets and liabilities in the Fund's financial statements at March 31, 2020.

The duration and impact of the COVID-19 pandemic on businesses and markets, and the extent of economic relief measures provided by governments and central banks, are unknown at the reporting date and it is therefore not possible to reliably estimate the impact on the financial results and position of the Fund in future periods.

#### 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.



## NOTES TO FINANCIAL STATEMENTS

### 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.

### 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, 2020 and 2019 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, 2020, 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.

## NOTES TO FINANCIAL STATEMENTS

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

#### 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 order to monitor the liquidity of its assets, the Fund utilizes a liquidity risk management program that calculates the number of days to convert the investments held by the Fund into cash using a multi-day liquidation approach. This liquidity risk analysis assesses the Fund's liquidity against predetermined minimum liquidity percentages established for different time periods and is monitored quarterly. In addition, the Fund has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions.

In order to comply with securities regulations, the Fund must maintain at least 90% of its assets in liquid investments (i.e., investments that can be readily sold).

#### 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.

#### 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 CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

Date of Formation September 28, 1998

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, Series T5 and Series T8 securities are offered to retail investors investing a minimum of \$500 (\$5,000 for Series T5 and Series T8). Investors in Series T5 and Series T8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively. Before January 1, 2019, Series T5 securities were known as Series T6.

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

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

Series F, Series F5 and Series F8 securities are offered to investors who are enrolled in a dealer-sponsored fee-for-service or wrap program, who are subject to an asset-based fee rather than commissions on each transaction and who invest at least \$500 (\$5,000 for Series F5 and Series F8); they are also available to employees of Mackenzie and its subsidiaries, and directors of Mackenzie. Investors in Series F5 and Series F8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively. Before January 1, 2019, Series F5 securities were known as Series F6.

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 I securities are offered to retail investors investing a minimum of \$500 in a qualified group plan with a minimum of \$10,000,000 in assets.

Series O and Series O5 securities are offered only to investors investing a minimum of \$500,000 who are enrolled in Mackenzie Portfolio Architecture Service or Open Architecture Service; certain institutional investors; investors in a qualified group plan, and certain qualifying employees of Mackenzie and its subsidiaries. Investors in Series O5 securities also want to receive a monthly cash flow of 5% per year. Before January 1, 2019, Series O5 securities were known as Series O6.

Series PW, Series PWT5 and Series PWT8 securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors in Series PWT5 and Series PWT8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively. Before January 1, 2019, Series PWT5 securities were known as Series PWT6.

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 PWR securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000 in a Registered Disability Savings Plan offered by Mackenzie.

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

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

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

Series G securities are no longer available for sale, except for additional purchases by investors who have held these securities since December 11, 2017.

Series J securities are no longer available for sale.

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

# MACKENZIE CUNDILL CANADIAN BALANCED 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, 2020	Mar. 31, 2019
Series A	October 7, 1998	1.85%	0.21%	7.55	9.16
Series AR	November 15, 2011	1.85%	0.24%	10.21	12.38
Series D	January 21, 2014	1.10%	0.16%	7.70	9.37
Series E	None issued <sup>(7)</sup>	0.80%	0.20%	—	—
Series F	March 2, 2001	0.70% <sup>(3)</sup>	0.15% <sup>(6)</sup>	11.96	14.69
Series F5 <sup>(10)</sup>	June 1, 2018	0.70%	0.15%	11.00	13.80
Series F8	February 14, 2006	0.70% <sup>(3)</sup>	0.15% <sup>(6)</sup>	5.79	7.49
Series FB	October 26, 2015	0.85%	0.21%	7.93	9.69
Series FB5	October 26, 2015	0.85%	0.21%	10.18	12.82
Series G	April 1, 2005	1.35%	0.21%	10.38	12.57
Series I	October 25, 1999	1.35%	0.21%	7.58	9.18
Series J	January 14, 2011	1.70%	0.20%	9.25	11.23
Series O	November 5, 2002	— <sup>(1)</sup>	— *	12.28	15.35
Series O5 <sup>(10)</sup>	August 21, 2013	— <sup>(1)</sup>	— *	9.34	11.60
Series PW	October 28, 2013	1.70% <sup>(4)</sup>	0.15%	8.13	9.85
Series PWF	None issued <sup>(8)</sup>	0.80%	0.15%	—	—
Series PWF8	None issued <sup>(9)</sup>	0.80%	0.15%	—	—
Series PWF8	April 3, 2017	0.70% <sup>(5)</sup>	0.15%	7.54	9.25
Series PWF8	April 3, 2017	0.70% <sup>(5)</sup>	0.15%	10.30	12.90
Series PWR	April 1, 2019	1.70%	0.15%	8.19	—
Series PWT5 <sup>(10)</sup>	April 3, 2017	1.70% <sup>(4)</sup>	0.15%	9.83	12.46
Series PWT8	December 23, 2013	1.70% <sup>(4)</sup>	0.15%	7.24	9.47
Series PWX	March 13, 2014	— <sup>(2)</sup>	— <sup>(2)</sup>	7.58	9.48
Series PWX8	September 4, 2014	— <sup>(2)</sup>	— <sup>(2)</sup>	7.90	10.11
Series R	December 8, 2008	— *	— *	11.96	14.95
Series T5 <sup>(10)</sup>	July 24, 2007	1.85%	0.21%	7.08	9.01
Series T8	March 6, 2002	1.85%	0.21%	4.54	5.95

\* Not applicable.

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

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

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

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

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

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

(7) The series' original start date was March 29, 2011. All securities in the series were consolidated into Series F on June 1, 2018.

(8) The series' original start date was December 2, 2013. All securities in the series were consolidated into Series F on June 1, 2018.

(9) The series' original start date was April 4, 2014. All securities in the series were consolidated into Series F8 on June 1, 2018.

(10) Before January 1, 2019, Series F5, Series O5, Series PWT5 and Series T5 securities were known as Series F6, Series O6, Series PWT6 and Series T6, respectively.

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

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## NOTES TO FINANCIAL STATEMENTS

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

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

As at March 31, 2020, Mackenzie and other funds managed by Mackenzie had an investment of \$131 and \$6,891 (2019 – \$765 and \$11,286), respectively, in the Fund.

#### (c) Loss Carryforwards

As at last taxation year-end, the Fund has capital losses of \$22,310 which may be carried forward indefinitely to reduce future realized capital gains. There were no non-capital losses available to carry forward for tax purposes.

#### (d) Securities Lending

As at March 31, 2020 and 2019, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.

A reconciliation of the gross amount generated from the securities lending transactions to the security lending income to the Fund for the periods ended March 31, 2020 and 2019 is as follows:

	2020		2019	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	–	–	615	100.0
Tax withheld	–	–	(12)	(2.0)
	–	–	603	98.0
Payments to Securities Lending Agent	–	–	(151)	(24.6)
Securities lending income	–	–	452	73.4

#### (e) Commissions

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

	(\$)
March 31, 2020	90
March 31, 2019	132

#### (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.

	March 31, 2020			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	1,717	(1,707)	–	10
Unrealized losses on derivative contracts	(7,360)	1,707	225	(5,428)
Liability for options written	–	–	–	–
Total	(5,643)	–	225	(5,418)
	March 31, 2019			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	99	(99)	–	–
Unrealized losses on derivative contracts	(1,297)	99	1,858	660
Liability for options written	–	–	–	–
Total	(1,198)	–	1,858	660



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# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

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## NOTES TO FINANCIAL STATEMENTS

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

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

##### i. Risk exposure and management

The Fund seeks long-term capital growth by investing mainly in Canadian equities and fixed income securities. The Fund's asset mix will generally range between 60%–70% equities and 30%–40% fixed income securities, including cash and cash equivalents. The Fund uses a value style of investing and may hold up to 40% of its assets in foreign investments.

##### ii. Currency risk

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

Currency	March 31, 2020			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure*
U.S. dollar	126,826	7,698	(93,461)	41,063
Euro	15,426	–	(4,975)	10,451
Hong Kong dollar	8,752	(417)	–	8,335
South Korean won	7,037	–	–	7,037
Japanese yen	6,444	(588)	45	5,901
Swiss franc	5,090	–	–	5,090
British pound	2,628	–	4	2,632
Total	172,203	6,693	(98,387)	80,509
% of Net Assets	35.6	1.4	(20.3)	16.7

Currency	March 31, 2019			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure*
U.S. dollar	212,485	9,185	(116,918)	104,752
Swiss franc	11,348	–	–	11,348
South Korean won	7,579	–	–	7,579
Hong Kong dollar	5,821	–	–	5,821
New Zealand dollar	5,703	–	(5,666)	37
British pound	2,227	–	(3,484)	(1,257)
Japanese yen	8,585	–	(10,148)	(1,563)
Euro	3,204	1	(8,087)	(4,882)
Total	256,952	9,186	(144,303)	121,835
% of Net Assets	33.6	1.2	(18.9)	15.9

\* Includes both monetary and non-monetary financial instruments

As at March 31, 2020, had the Canadian dollar increased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have decreased by approximately \$4,246 or 0.9% of total net assets (2019 – \$6,627 or 0.9%). Similarly, had the Canadian dollar decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have increased by approximately \$4,246 or 0.9% of the total net assets (2019 – \$6,627 or 0.9%). In practice, the actual trading results may differ and the difference could be material.

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

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BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

##### iii. Interest rate risk

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

Term to Maturity	March 31, 2020 (\$)		March 31, 2019 (\$)	
	Bonds	Derivative Instruments	Bonds	Derivative Instruments
Less than 1 year	–	(2,635)	169	(65,583)
1-5 years	10,960	–	46,341	–
5-10 years	55,316	–	77,935	–
Greater than 10 years	65,110	–	117,016	–
Total	131,386	(2,635)	241,461	(65,583)

As at March 31, 2020, 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 \$14,300 or 3.0% (2019 – \$21,159 or 2.8%) 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 \$14,356 or 3.0% (2019 – \$21,608 or 2.8%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

##### iv. Other price risk

The Fund's most significant exposure to price risk arises from its investment in equity securities, exchange-traded funds and mutual funds. As at March 31, 2020, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased by approximately \$30,194 or 6.2% (2019 – \$47,755 or 6.3%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

##### v. Credit risk

The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum exposure to any one debt issuer as at March 31, 2020, was 3.7% of the net assets of the Fund (2019 – 5.4%).

As at March 31, 2020 and 2019, debt securities by credit rating are as follows:

Bond Rating*	March 31, 2020	March 31, 2019
	% of Net Assets	% of Net Assets
AAA	1.8	6.3
AA	3.8	4.0
A	6.4	8.0
BBB	9.8	8.8
Less than BBB	2.6	4.2
Unrated	2.7	0.3
Total	27.1	31.6

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

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

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## NOTES TO FINANCIAL STATEMENTS

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

#### (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.

	March 31, 2020				March 31, 2019			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	131,386	–	131,386	–	241,461	–	241,461
Equities	256,049	45,377	–	301,426	466,588	–	–	466,588
Options	–	2,052	–	2,052	87	173	–	260
Exchange-traded funds/notes	6,109	–	–	6,109	3,943	–	–	3,943
Mutual funds	18,443	–	–	18,443	37,932	–	–	37,932
Derivative assets	10	2,362	–	2,372	–	705	–	705
Derivative liabilities	–	(8,268)	–	(8,268)	(614)	(829)	–	(1,443)
Short-term investments	–	18,855	–	18,855	–	12,387	–	12,387
Total	280,611	191,764	–	472,375	507,936	253,897	–	761,833

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

In accordance with the Fund's valuation policy, the Fund applies fair value adjustment factors to the quoted market prices for non-North American equities when North American intraday stock market movements exceed pre-determined tolerances. The adjustment factors are applied in order to estimate the impact on fair values of events occurring between the close of the non-North American stock markets and the close of business for the Fund. If fair value adjustment factors are applied, non-North American equities are classified as Level 2. Consequently, during the period ended March 31, 2020, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at March 31, 2020, these securities were classified as Level 2 (2019 – Level 1).

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



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