

# MACKENZIE CORPORATE BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

FIXED INCOME FUND

## MANAGEMENT REPORT

### Management's Responsibility for Financial Reporting

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

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

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

On behalf of Mackenzie Financial Corporation,  
Manager of the Fund



Barry McInerney  
President and Chief Executive Officer



Terry Rountes  
Chief Financial Officer, Funds

July 13, 2020

## INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Mackenzie Corporate Bond 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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## 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	366,267	476,752	Series A	3.92	4.26
Cash and cash equivalents	31,637	11,809	Series AR	8.40	9.13
Accrued interest receivable	5,842	7,646	Series D	8.32	9.03
Accounts receivable for investments sold	1,376	645	Series F	4.13	4.49
Accounts receivable for securities issued	69	13	Series FB	9.04	9.82
Due from manager	3	–	Series G	7.73	8.39
Margin on derivatives	578	–	Series I	3.82	4.15
Unrealized gains on derivative contracts	2,216	8,972	Series J	9.78	10.62
<b>Total assets</b>	<b>407,988</b>	<b>505,837</b>	Series O	7.94	8.63
			Series PW	8.50	9.23
			Series PWFB	8.78	9.54
			Series PWR	9.18	–
			Series PWT8	9.78	11.02
			Series PWX	8.40	9.12
			Series PWX8	10.60	11.80
			Series R	8.01	8.70
			Series S	7.78	8.45
			Series LB	8.78	9.53
			Series LF	9.14	–
			Series LW	8.83	9.59
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable for investments purchased	3,119	288			
Accounts payable for securities redeemed	588	539			
Due to manager	14	–			
Unrealized losses on derivative contracts	16,805	1,144			
<b>Total liabilities</b>	<b>20,526</b>	<b>1,971</b>			
<b>Net assets attributable to securityholders</b>	<b>387,462</b>	<b>503,866</b>			
<b>Net assets attributable to securityholders</b>					
<b>per series (note 3)</b>					
Series A	168,555	236,418			
Series AR	1,879	1,759			
Series D	466	455			
Series F	49,771	67,426			
Series FB	185	249			
Series G	255	334			
Series I	212	303			
Series J	165	203			
Series O	9,972	20,915			
Series PW	123,088	138,779			
Series PWFB	1,032	1,104			
Series PWR	377	–			
Series PWT8	44	51			
Series PWX	1,913	1,951			
Series PWX8	40	44			
Series R	1,705	1,995			
Series S	18,903	19,285			
Series LB	2,533	3,699			
Series LF	76	–			
Series LW	6,291	8,896			

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



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# MACKENZIE CORPORATE BOND 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	390	253
Interest income	26,396	40,734
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	32,460	(42,118)
Net unrealized gain (loss)	(65,611)	26,874
Securities lending income	66	161
Fee rebate income	5	–
<b>Total income (loss)</b>	<b>(6,294)</b>	<b>25,904</b>

### Expenses (note 6)

Management fees	5,281	6,553
Management fee rebates	(16)	(24)
Administration fees	776	956
Interest charges	36	85
Commissions and other portfolio transaction costs	49	38
Independent Review Committee fees	2	3
Other	2	4
<b>Expenses before amounts absorbed by Manager</b>	<b>6,130</b>	<b>7,615</b>
Expenses absorbed by Manager	–	–
<b>Net expenses</b>	<b>6,130</b>	<b>7,615</b>

<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>(12,424)</b>	<b>18,289</b>
Foreign withholding taxes	9	25
Foreign income taxes paid (recovered)	–	–
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>(12,433)</b>	<b>18,264</b>

<b>Increase (decrease) in net assets attributable to securityholders from operations per series</b>		
Series A	(5,574)	5,869
Series AR	(89)	35
Series D	(18)	12
Series E	–	–
Series F	(1,356)	2,115
Series FB	(5)	11
Series G	(10)	9
Series I	(5)	8
Series J	(6)	5
Series O	(65)	945
Series PW	(4,436)	3,432
Series PWF	–	99
Series PWFB	(29)	32
Series PWR	(24)	–
Series PWT8	(1)	–
Series PWX	(45)	80
Series PWX8	–	2

	2020	2019
	\$	\$
Series R	(32)	4,549
Series S	(464)	744
Series LB	(88)	62
Series LF	(7)	–
Series LW	(179)	255
<b>Increase (decrease) in net assets attributable to securityholders from operations per security</b>		
Series A	(0.11)	0.08
Series AR	(0.45)	0.21
Series D	(0.35)	0.28
Series E	–	0.03
Series F	(0.10)	0.13
Series FB	(0.19)	0.29
Series G	(0.27)	0.19
Series I	(0.09)	0.12
Series J	(0.30)	0.22
Series O	(0.05)	0.33
Series PW	(0.30)	0.23
Series PWF	–	0.03
Series PWFB	(0.25)	0.28
Series PWR	(0.99)	–
Series PWT8	(0.32)	0.30
Series PWX	(0.21)	0.34
Series PWX8	(0.24)	0.47
Series R	(0.15)	0.27
Series S	(0.20)	0.33
Series LB	(0.27)	0.08
Series LF	(1.78)	–
Series LW	(0.22)	0.35

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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	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>	236,418	396,829	1,759	1,504	455	582	–	47	67,426	53,201
Increase (decrease) in net assets from operations	(5,574)	5,869	(89)	35	(18)	12	–	–	(1,356)	2,115
Distributions paid to securityholders:										
Investment income	(8,713)	(11,914)	(74)	(66)	(23)	(19)	–	–	(2,971)	(3,587)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–	(4)	(4)
Total distributions paid to securityholders	(8,713)	(11,914)	(74)	(66)	(23)	(19)	–	–	(2,975)	(3,591)
Security transactions:										
Proceeds from securities issued	27,820	28,202	764	427	194	203	–	–	7,962	42,920
Reinvested distributions	7,802	10,622	74	66	22	18	–	–	2,356	2,923
Payments on redemption of securities	(89,198)	(193,190)	(555)	(207)	(164)	(341)	–	(47)	(23,642)	(30,142)
Total security transactions	(53,576)	(154,366)	283	286	52	(120)	–	(47)	(13,324)	15,701
<b>Total increase (decrease) in net assets</b>	<b>(67,863)</b>	<b>(160,411)</b>	<b>120</b>	<b>255</b>	<b>11</b>	<b>(127)</b>	<b>–</b>	<b>(47)</b>	<b>(17,655)</b>	<b>14,225</b>
<b>End of period</b>	<b>168,555</b>	<b>236,418</b>	<b>1,879</b>	<b>1,759</b>	<b>466</b>	<b>455</b>	<b>–</b>	<b>–</b>	<b>49,771</b>	<b>67,426</b>

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	<b>55,478</b>	<b>91,269</b>	<b>193</b>	<b>162</b>	<b>50</b>	<b>63</b>	<b>–</b>	<b>4</b>	<b>15,021</b>	<b>11,624</b>
Issued	6,496	6,585	84	47	22	22	–	–	1,763	9,450
Reinvested distributions	1,833	2,486	8	7	2	2	–	–	526	651
Redeemed	(20,852)	(44,862)	(61)	(23)	(18)	(37)	–	(4)	(5,266)	(6,704)
<b>Securities outstanding – end of period</b>	<b>42,955</b>	<b>55,478</b>	<b>224</b>	<b>193</b>	<b>56</b>	<b>50</b>	<b>–</b>	<b>–</b>	<b>12,044</b>	<b>15,021</b>

	Series FB		Series G		Series I		Series J		Series O	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	249	851	334	513	303	306	203	427	20,915	28,251
Increase (decrease) in net assets from operations	(5)	11	(10)	9	(5)	8	(6)	5	(65)	945
Distributions paid to securityholders:										
Investment income	(11)	(16)	(13)	(17)	(12)	(14)	(8)	(10)	(743)	(1,483)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(11)	(16)	(13)	(17)	(12)	(14)	(8)	(10)	(743)	(1,483)
Security transactions:										
Proceeds from securities issued	73	91	4	6	10	17	–	–	122	2,005
Reinvested distributions	11	16	12	16	12	14	8	10	705	1,452
Payments on redemption of securities	(132)	(704)	(72)	(193)	(96)	(28)	(32)	(229)	(10,962)	(10,255)
Total security transactions	(48)	(597)	(56)	(171)	(74)	3	(24)	(219)	(10,135)	(6,798)
<b>Total increase (decrease) in net assets</b>	<b>(64)</b>	<b>(602)</b>	<b>(79)</b>	<b>(179)</b>	<b>(91)</b>	<b>(3)</b>	<b>(38)</b>	<b>(224)</b>	<b>(10,943)</b>	<b>(7,336)</b>
<b>End of period</b>	<b>185</b>	<b>249</b>	<b>255</b>	<b>334</b>	<b>212</b>	<b>303</b>	<b>165</b>	<b>203</b>	<b>9,972</b>	<b>20,915</b>

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	<b>25</b>	<b>85</b>	<b>40</b>	<b>60</b>	<b>73</b>	<b>72</b>	<b>19</b>	<b>39</b>	<b>2,424</b>	<b>3,208</b>
Issued	8	9	–	1	2	5	–	–	13	232
Reinvested distributions	1	2	1	2	3	3	1	1	82	168
Redeemed	(13)	(71)	(8)	(23)	(23)	(7)	(3)	(21)	(1,264)	(1,184)
<b>Securities outstanding – end of period</b>	<b>21</b>	<b>25</b>	<b>33</b>	<b>40</b>	<b>55</b>	<b>73</b>	<b>17</b>	<b>19</b>	<b>1,255</b>	<b>2,424</b>

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



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

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

	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Series PW		Series PWF		Series PWFB		Series PWR		Series PWT8	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
Beginning of period	138,779	89,397	–	29,614	1,104	593	–	–	51	54
Increase (decrease) in net assets from operations	(4,436)	3,432	–	99	(29)	32	(24)	–	(1)	–
Distributions paid to securityholders:										
Investment income	(6,201)	(6,470)	–	(211)	(58)	(58)	(12)	–	(2)	(2)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–	–	–	(2)	(2)
Management fee rebates	(11)	(14)	–	(4)	–	–	–	–	–	–
Total distributions paid to securityholders	(6,212)	(6,484)	–	(215)	(58)	(58)	(12)	–	(4)	(4)
Security transactions:										
Proceeds from securities issued	25,279	93,990	–	987	314	914	507	–	–	–
Reinvested distributions	5,681	5,925	–	188	58	57	12	–	2	3
Payments on redemption of securities	(36,003)	(47,481)	–	(30,673)	(357)	(434)	(106)	–	(4)	(2)
Total security transactions	(5,043)	52,434	–	(29,498)	15	537	413	–	(2)	1
<b>Total increase (decrease) in net assets</b>	<b>(15,691)</b>	<b>49,382</b>	<b>–</b>	<b>(29,614)</b>	<b>(72)</b>	<b>511</b>	<b>377</b>	<b>–</b>	<b>(7)</b>	<b>(3)</b>
<b>End of period</b>	<b>123,088</b>	<b>138,779</b>	<b>–</b>	<b>–</b>	<b>1,032</b>	<b>1,104</b>	<b>377</b>	<b>–</b>	<b>44</b>	<b>51</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities: (note 7)</b>										
<b>Securities outstanding – beginning of period</b>	<b>15,033</b>	<b>9,490</b>	<b>–</b>	<b>3,139</b>	<b>116</b>	<b>61</b>	<b>–</b>	<b>–</b>	<b>5</b>	<b>5</b>
Issued	2,721	10,033	–	104	33	95	51	–	–	–
Reinvested distributions	617	641	–	20	6	6	1	–	–	–
Redeemed	(3,889)	(5,131)	–	(3,263)	(37)	(46)	(11)	–	(1)	–
<b>Securities outstanding – end of period</b>	<b>14,482</b>	<b>15,033</b>	<b>–</b>	<b>–</b>	<b>118</b>	<b>116</b>	<b>41</b>	<b>–</b>	<b>4</b>	<b>5</b>

	Series PWX		Series PWX8		Series R		Series S		Series LB	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
Beginning of period	1,951	2,314	44	46	1,995	175,996	19,285	19,037	3,699	10,550
Increase (decrease) in net assets from operations	(45)	80	–	2	(32)	4,549	(464)	744	(88)	62
Distributions paid to securityholders:										
Investment income	(117)	(126)	(3)	(3)	(113)	(8,321)	(1,165)	(1,121)	(129)	(315)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	(1)	(1)	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(117)	(126)	(4)	(4)	(113)	(8,321)	(1,165)	(1,121)	(129)	(315)
Security transactions:										
Proceeds from securities issued	136	38	–	–	225	27,179	452	246	505	106
Reinvested distributions	117	126	1	–	8	761	1,165	1,121	128	314
Payments on redemption of securities	(129)	(481)	(1)	–	(378)	(198,169)	(370)	(742)	(1,582)	(7,018)
Total security transactions	124	(317)	–	–	(145)	(170,229)	1,247	625	(949)	(6,598)
<b>Total increase (decrease) in net assets</b>	<b>(38)</b>	<b>(363)</b>	<b>(4)</b>	<b>(2)</b>	<b>(290)</b>	<b>(174,001)</b>	<b>(382)</b>	<b>248</b>	<b>(1,166)</b>	<b>(6,851)</b>
<b>End of period</b>	<b>1,913</b>	<b>1,951</b>	<b>40</b>	<b>44</b>	<b>1,705</b>	<b>1,995</b>	<b>18,903</b>	<b>19,285</b>	<b>2,533</b>	<b>3,699</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities: (note 7)</b>										
<b>Securities outstanding – beginning of period</b>	<b>214</b>	<b>249</b>	<b>4</b>	<b>4</b>	<b>229</b>	<b>19,818</b>	<b>2,281</b>	<b>2,207</b>	<b>388</b>	<b>1,082</b>
Issued	15	4	–	–	26	3,091	54	29	54	10
Reinvested distributions	13	14	–	–	1	91	138	132	13	33
Redeemed	(14)	(53)	–	–	(43)	(22,771)	(44)	(87)	(166)	(737)
<b>Securities outstanding – end of period</b>	<b>228</b>	<b>214</b>	<b>4</b>	<b>4</b>	<b>213</b>	<b>229</b>	<b>2,429</b>	<b>2,281</b>	<b>289</b>	<b>388</b>

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



# MACKENZIE CORPORATE BOND 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 LF		Series LW		Total	
	\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>						
<b>Beginning of period</b>	–	–	8,896	6,567	503,866	816,679
Increase (decrease) in net assets from operations	(7)	–	(179)	255	(12,433)	18,264
Distributions paid to securityholders:						
Investment income	(1)	–	(348)	(311)	(20,717)	(34,064)
Capital gains	–	–	–	–	–	–
Return of capital	–	–	–	–	(3)	(3)
Management fee rebates	–	–	(1)	(2)	(16)	(24)
Total distributions paid to securityholders	(1)	–	(349)	(313)	(20,736)	(34,091)
Security transactions:						
Proceeds from securities issued	83	–	691	4,352	65,141	201,683
Reinvested distributions	1	–	349	312	18,524	23,944
Payments on redemption of securities	–	–	(3,117)	(2,277)	(166,900)	(522,613)
Total security transactions	84	–	(2,077)	2,387	(83,235)	(296,986)
<b>Total increase (decrease) in net assets</b>	<b>76</b>	<b>–</b>	<b>(2,605)</b>	<b>2,329</b>	<b>(116,404)</b>	<b>(312,813)</b>
<b>End of period</b>	<b>76</b>	<b>–</b>	<b>6,291</b>	<b>8,896</b>	<b>387,462</b>	<b>503,866</b>
<b>Increase (decrease) in fund securities: (note 7)</b>						
	<b>Securities</b>		<b>Securities</b>			
<b>Securities outstanding – beginning of period</b>	–	–	928	672		
Issued	8	–	72	460		
Reinvested distributions	–	–	36	33		
Redeemed	–	–	(323)	(237)		
<b>Securities outstanding – end of period</b>	<b>8</b>	<b>–</b>	<b>713</b>	<b>928</b>		

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



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# MACKENZIE CORPORATE BOND FUND

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## 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	(12,433)	18,264
Adjustments for:		
Net realized loss (gain) on investments	(17,150)	(10,475)
Change in net unrealized loss (gain) on investments	65,610	(26,989)
Purchase of investments	(251,522)	(81,651)
Proceeds from sale and maturity of investments	338,583	392,793
Change in accrued interest receivable	1,804	5,458
Change in dividends receivable	–	28
Change in due from manager	(3)	7
Change in margin on derivatives	(578)	–
Change in due to manager	14	(49)
<b>Net cash from operating activities</b>	<b>124,325</b>	<b>297,386</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	32,112	91,729
Payments on redemption of securities	(133,878)	(414,277)
Distributions paid net of reinvestments	(2,212)	(10,147)
<b>Net cash from financing activities</b>	<b>(103,978)</b>	<b>(332,695)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>20,347</b>	<b>(35,309)</b>
Cash and cash equivalents at beginning of period	11,809	47,130
Effect of exchange rate fluctuations on cash and cash equivalents	(519)	(12)
<b>Cash and cash equivalents at end of period</b>	<b>31,637</b>	<b>11,809</b>
Cash	31,637	11,642
Cash equivalents	–	167
<b>Cash and cash equivalents at end of period</b>	<b>31,637</b>	<b>11,809</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	390	281
Foreign taxes paid	9	25
Interest received	28,200	46,192
Interest paid	36	85

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



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## 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>					
AerCap Holdings NV F/R 10-10-2079 Callable 2024	Ireland	Corporate - Non Convertible	USD 880,000	1,173	775
The AES Corp. 5.13% 09-01-2027 Callable 2022	United States	Corporate - Non Convertible	USD 590,000	751	836
Air Lease Corp. 2.63% 12-05-2024 Callable 2024	United States	Corporate - Non Convertible	90,000	89	73
Albertsons Cos. Inc. 4.63% 01-15-2027 Callable 2023 144A	United States	Corporate - Non Convertible	USD 30,000	39	42
Albertsons Cos. Inc. 5.88% 02-15-2028 Callable 2022 144A	United States	Corporate - Non Convertible	USD 310,000	434	447
Albertsons Cos. Inc. 4.88% 02-15-2030 Callable 2025 144A	United States	Corporate - Non Convertible	USD 1,120,000	1,472	1,567
Alimentation Couche-Tard Inc. 3.899% 11-01-2022 Callable	Canada	Corporate - Non Convertible	4,500,000	4,500	4,589
Alimentation Couche-Tard Inc. 2.95% 01-25-2030 Callable 2029 144A	Canada	Corporate - Non Convertible	USD 70,000	92	92
Ally Financial Inc. 5.75% 11-20-2025 Callable 2025	United States	Corporate - Non Convertible	USD 500,000	659	691
Ally Financial Inc. 8.00% 11-01-2031	United States	Corporate - Non Convertible	USD 1,090,000	1,636	1,782
Altice France SA 2.13% 02-15-2025 Callable 2022	France	Corporate - Non Convertible	EUR 820,000	1,183	1,175
American International Group Inc. 8.18% 05-15-2058 (F/R @ 05-15-2038) Callable 2038	United States	Corporate - Non Convertible	USD 925,000	928	1,504
ARD Finance SA 6.50% 06-30-2027 Callable 2022 144A	Luxembourg	Corporate - Non Convertible	USD 300,000	398	377
Ardagh Packaging Finance PLC 4.13% 08-15-2026 Callable 2022 144A	Ireland	Corporate - Non Convertible	USD 630,000	829	891
Ardagh Packaging Finance PLC 5.25% 08-15-2027 Callable 2022 144A	Ireland	Corporate - Non Convertible	USD 315,000	414	456
Arterra Wines Canada Inc. Term Loan B1 1st Lien F/R 12-15-2023	Canada	Term Loans	USD 2,957,217	3,902	3,585
Ashtead US Holdings Inc. 4.25% 11-01-2029	United Kingdom	Corporate - Non Convertible	USD 550,000	718	657
Atlantic Power Corp. 5.95% 06-23-2036	United States	Corporate - Non Convertible	3,200,000	2,880	2,632
ATS Automation Tooling Systems Inc. 6.50% 06-15-2023 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 2,343,000	3,019	3,257
Bank of America Corp. F/R 03-24-2026 Callable 2025	United States	Corporate - Non Convertible	90,000	90	90
Bank of America Corp. 6.50% 12-31-2049 Callable 2024	United States	Corporate - Non Convertible	USD 610,000	688	901
Bank of Montreal 2.89% 06-20-2023	Canada	Corporate - Non Convertible	10,000	10	10
Bank of Montreal 2.37% 02-03-2025 Callable 2025	Canada	Corporate - Non Convertible	120,000	120	118
The Bank of Nova Scotia 2.38% 05-01-2023	Canada	Corporate - Non Convertible	230,000	230	229
The Bank of Nova Scotia 2.16% 02-03-2025	Canada	Corporate - Non Convertible	170,000	170	166
The Bank of Nova Scotia 4.50% 12-16-2025	Canada	Corporate - Non Convertible	USD 3,500,000	4,618	5,189
Bausch Health Cos Inc. 5.50% 11-01-2025 Callable 144A	United States	Corporate - Non Convertible	USD 550,000	854	928
Bausch Health Cos Inc. 9.00% 12-15-2025 Callable 2021	United States	Corporate - Non Convertible	USD 1,000,000	1,253	1,487
Bausch Health Cos Inc. 9.25% 04-01-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 1,135,000	1,457	1,695
Bausch Health Cos Inc. 8.50% 01-31-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 605,000	873	893
Baytex Energy Corp. 5.63% 06-01-2024 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 932,000	1,007	514
Baytex Energy Corp. 8.75% 04-01-2027 Callable 2023 144A	Canada	Corporate - Non Convertible	USD 880,000	1,156	477
BCPE Cycle Merger Sub II Inc. 10.63% 07-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 660,000	851	786
Bell Canada Inc. 3.35% 03-22-2023	Canada	Corporate - Non Convertible	5,000,000	4,992	5,095
Berry Global Inc. 4.50% 02-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 170,000	213	232
The Boeing Co. 2.95% 02-01-2030 Callable 2029	United States	Corporate - Non Convertible	USD 30,000	34	39
Bombardier Inc. 8.75% 12-01-2021 144A	Canada	Corporate - Non Convertible	USD 5,442,000	7,587	6,403
Bombardier Inc. 6.00% 10-15-2022 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 1,600,000	2,085	1,696
Brookfield Asset Management Inc. 4.54% 03-31-2023	Canada	Corporate - Non Convertible	6,000,000	6,028	6,222
Brookfield Infrastructure Finance ULC 3.41% 10-09-2029 Callable 2029	Canada	Corporate - Non Convertible	130,000	130	123
Brookfield Residential Properties Inc. 6.25% 09-15-2027 Callable 2022 144A	Canada	Corporate - Non Convertible	USD 1,360,000	1,809	1,669



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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>					
BWAY Corp. Term Loan B 1st Lien F/R 04-03-2024	United States	Term Loans	USD 306,000	363	357
BWAY Holding Co. 7.25% 04-15-2025 144A	United States	Corporate - Non Convertible	USD 1,234,000	1,620	1,366
Calfrac Holdings LP 8.50% 06-15-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 1,750,000	2,221	199
California Resources Corp. 8.00% 12-15-2022 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,339,000	1,094	38
Canada Goose Inc. Term Loan 1st Lien F/R 12-02-2024	Canada	Term Loans	USD 2,501,406	3,278	3,509
Canadian Imperial Bank of Commerce 2.43% 06-09-2023	Canada	Corporate - Non Convertible	130,000	130	129
Canadian Imperial Bank of Commerce 2.97% 07-11-2023	Canada	Corporate - Non Convertible	20,000	20	21
Capital Power Corp. 4.42% 02-08-2030 Callable 2029	Canada	Corporate - Non Convertible	50,000	50	51
CARDS II Trust 2.43% 11-15-2024	Canada	Corporate - Non Convertible	110,000	110	109
Cascades Inc. 5.13% 01-15-2025 Callable 2022	Canada	Corporate - Non Convertible	1,500,000	1,500	1,468
Cascades Inc. 5.13% 01-15-2026 Callable 2023 144A	Canada	Corporate - Non Convertible	USD 2,500,000	3,314	3,417
CBS Radio Inc. 7.25% 11-01-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 485,000	644	573
CCO Holdings LLC 5.88% 04-01-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 135,000	189	195
CCO Holdings LLC 5.75% 02-15-2026	United States	Corporate - Non Convertible	USD 1,165,000	1,511	1,680
CCO Holdings LLC 5.50% 05-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 855,000	1,126	1,226
CCO Holdings LLC 5.38% 06-01-2029 Callable 2024 144A	United States	Corporate - Non Convertible	USD 2,960,000	4,079	4,302
Centene Corp. 4.75% 05-22-2021 Callable	United States	Corporate - Non Convertible	USD 960,000	1,083	1,362
Centene Corp. 4.25% 12-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 310,000	408	427
Centene Corp. 4.63% 12-15-2029 Callable 2024 144A	United States	Corporate - Non Convertible	USD 230,000	305	326
Centene Corp. 3.38% 02-15-2030 Callable 2028 144A	United States	Corporate - Non Convertible	USD 480,000	638	622
CenturyLink Inc. 4.00% 02-15-2027 Callable 2023 144A	United States	Corporate - Non Convertible	USD 340,000	443	462
CHC Group LLC 0% 10-01-2020 Conv.	Cayman Islands	Corporate - Convertible	USD 2,911,887	3,681	1,129
Choice Properties Real Estate Investment Trust 3.498% 02-08-2021	Canada	Corporate - Non Convertible	2,250,000	2,250	2,273
Choice Properties Real Estate Investment Trust 2.98% 03-04-2030 Callable 2029	Canada	Corporate - Non Convertible	70,000	70	65
Cinemark USA Inc. 5.13% 12-15-2022 Callable	United States	Corporate - Non Convertible	USD 540,000	536	607
CIT Group Inc. 5.00% 08-01-2023	United States	Corporate - Non Convertible	USD 675,000	808	925
Clearway Energy Operating LLC 4.75% 03-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 785,000	1,036	1,032
Cogeco Communications Inc. 4.175% 05-26-2023 Callable	Canada	Corporate - Non Convertible	3,425,000	3,455	3,525
CommScope Technologies Finance LLC 8.25% 03-01-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 1,140,000	1,489	1,565
Concho Resources Inc. 3.75% 10-01-2027 Callable 2027	United States	Corporate - Non Convertible	USD 680,000	853	811
Connect Finco SARL Term Loan B 1st Lien F/R 09-23-2026	United Kingdom	Term Loans	USD 253,000	331	288
Connect Finco SARL 6.75% 10-01-2026	United Kingdom	Corporate - Non Convertible	USD 1,070,000	1,418	1,271
Constellium NV 5.88% 02-15-2026 Callable 2020 144A	Netherlands	Corporate - Non Convertible	USD 1,080,000	1,494	1,337
CoolSys Inc. Delayed Draw Term Loan 1st Lien F/R 12-31-2049	United States	Term Loans	USD 85,818	112	118
CoolSys Inc. Term Loan 1st Lien 12-31-2049	United States	Term Loans	USD 502,921	654	691
Crew Energy Inc. 6.50% 03-14-2024 Callable	Canada	Corporate - Non Convertible	890,000	752	538
Crombie Real Estate Investment Trust 3.92% 06-21-2027 Callable 2027	Canada	Corporate - Non Convertible	30,000	30	30
Crown Americas LLC 4.75% 02-01-2026 Callable 2021	United States	Corporate - Non Convertible	USD 455,000	565	658
CSC Holdings LLC 6.75% 11-15-2021 Callable	United States	Corporate - Non Convertible	USD 1,005,000	1,053	1,473
CVS Health Corp. 3.70% 03-09-2023 Callable 2023	United States	Corporate - Non Convertible	USD 170,000	248	248
Diamond 1 Finance Corp. 6.02% 06-15-2026 Callable 2026 144A	United States	Corporate - Non Convertible	USD 1,985,000	2,721	2,901



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Diamond Sports Group LLC 5.38% 08-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 720,000	991	827
Diamond Sports Group LLC 6.63% 08-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 660,000	907	624
Diamondback Energy Inc. 3.25% 12-01-2026 Callable 2026	United States	Corporate - Non Convertible	USD 260,000	269	257
Diamondback Energy Inc. 3.50% 12-01-2029 Callable 2029	United States	Corporate - Non Convertible	USD 1,030,000	1,059	1,008
Dollar General Corp. 4.13% 05-01-2028 Callable 2028	United States	Corporate - Non Convertible	USD 170,000	255	255
Drax Group PLC 6.63% 11-01-2025 Callable 2021 144A	United Kingdom	Corporate - Non Convertible	USD 720,000	998	1,018
DRW Holdings LLC Term Loan 1st Lien F/R 11-26-2026	United States	Term Loans	USD 319,200	419	407
Edgewell Personal Care Co. Term Loan B 1st Lien F/R 09-20-2026	United States	Term Loans	USD 230,000	302	323
eG Global Finance PLC 6.75% 02-07-2025 Callable 2021 144A	United Kingdom	Corporate - Non Convertible	USD 1,500,000	1,940	1,762
Enbridge Gas Inc. 2.90% 04-01-2030 Callable 2030	Canada	Corporate - Non Convertible	30,000	30	30
Enbridge Inc. 3.94% 01-13-2023	Canada	Corporate - Non Convertible	2,500,000	2,500	2,521
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate - Non Convertible	4,630,000	4,637	3,828
Enbridge Inc. F/R 04-12-2078 Callable 2028	Canada	Corporate - Non Convertible	1,740,000	1,883	1,695
Energy Transfer LP 5.88% 01-15-2024	United States	Corporate - Non Convertible	USD 355,000	482	488
Energy Transfer Partners LP F/R 02-15-2166 Perpetual Callable 2028	United States	Corporate - Non Convertible	USD 1,490,000	1,897	1,089
ENMAX Corp. 2.92% 10-18-2022	Canada	Corporate - Non Convertible	30,000	30	31
ENMAX Corp. 3.33% 06-02-2025	Canada	Corporate - Non Convertible	30,000	30	31
Equinix Inc. 5.88% 01-15-2026 Callable 2021	United States	Corporate - Non Convertible	USD 555,000	735	799
Exela Intermediate LLC 10.00% 07-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 175,000	130	69
FAGE International SA/FAGE USA Dairy Industry Inc. 5.63% 08-15-2026 Callable 2021 144A	Luxembourg	Corporate - Non Convertible	USD 970,000	1,151	1,134
Fair Isaac Corp. 4.00% 06-15-2028 Callable 2022 144A	United States	Corporate - Non Convertible	USD 480,000	641	658
Fairfax Financial Holdings Ltd. 4.50% 03-22-2023	Canada	Corporate - Non Convertible	1,375,000	1,460	1,411
Fairfax Financial Holdings Ltd. 4.95% 03-03-2025	Canada	Corporate - Non Convertible	460,000	501	480
Fairfax Financial Holdings Ltd. 4.85% 04-17-2028 Callable 2028	Canada	Corporate - Non Convertible	USD 640,000	804	993
Fédération des Caisses Desjardins du Québec 2.42% 10-04-2024	Canada	Corporate - Non Convertible	50,000	50	49
First American Payment Systems LP Term Loan B 1st Lien F/R 02-21-2027	United States	Term Loans	USD 670,000	882	834
First Quantum Minerals Ltd. 7.25% 04-01-2023 Callable 2020 144A	Zambia	Corporate - Non Convertible	USD 1,270,000	1,680	1,513
Ford Credit Canada Co. 2.58% 05-10-2021	United States	Corporate - Non Convertible	2,000,000	2,000	1,849
Foxtrot Escrow Issuer LLC 12.25% 11-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 1,207,000	1,551	1,334
GBT III BV Term Loan 1st Lien F/R 02-27-2027	Netherlands	Term Loans	USD 522,478	685	645
GBT US III LLC Term Loan Delayed Draw 1st Lien F/R 02-27-2027	United States	Term Loans	USD 437,522	573	540
GFL Environmental Inc. Term Loan B 1st Lien F/R 05-31-2025	Canada	Term Loans	USD 2,121,022	2,700	2,914
GFL Environmental Inc. 5.63% 05-01-2022 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 46,000	62	66
GFL Environmental Inc. 7.00% 06-01-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 1,821,000	2,407	2,526
GFL Environmental Inc. 5.13% 12-15-2026 Callable 2022 144A	Canada	Corporate - Non Convertible	USD 1,210,000	1,600	1,658
Gibson Energy Inc. 5.25% 07-15-2024 Callable 2020 REGS	Canada	Corporate - Non Convertible	6,090,000	6,265	6,141
Government of Canada 1.50% 09-01-2024	Canada	Federal Government	30,000	31	31
Greater Toronto Airports Authority 2.75% 10-17-2039	Canada	Corporate - Non Convertible	70,000	70	63
Hadrian Merger Sub Inc. 8.50% 05-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 870,000	1,120	918
HCA Healthcare Inc. 3.50% 09-01-2030 Callable 2030	United States	Corporate - Non Convertible	USD 2,060,000	2,737	2,660
HCA Holdings Inc. 5.25% 06-15-2026 Callable 2025	United States	Corporate - Non Convertible	USD 1,535,000	2,057	2,275



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
HCA Inc. 5.88% 02-01-2029 Callable 2028	United States	Corporate - Non Convertible	USD 150,000	224	224
HudBay Minerals Inc. 7.63% 01-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 1,545,000	2,091	1,918
Hydro One Inc. 2.16% 02-28-2030	Canada	Corporate - Non Convertible	120,000	120	116
IHS Markit Ltd. 4.00% 03-01-2026 Callable 2025 144A	United States	Corporate - Non Convertible	USD 295,000	378	413
Infor (US) Inc. 6.50% 05-15-2022 Callable 2020	United States	Corporate - Non Convertible	USD 675,000	849	936
Intelsat Jackson Holdings SA 9.75% 07-15-2025 Callable 2021 144A	Luxembourg	Corporate - Non Convertible	USD 635,000	839	568
Inter Pipeline Ltd. 3.776% 05-30-2022	Canada	Corporate - Non Convertible	5,000,000	5,000	5,030
Inter Pipeline Ltd. F/R 03-26-2079 Callable 2029	Canada	Corporate - Non Convertible	4,495,000	4,691	4,003
Inter Pipeline Ltd. F/R 11-19-2079 Callable 2029	Canada	Corporate - Non Convertible	1,090,000	1,090	916
Intertape Polymer Group Inc. 7.00% 10-15-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 3,000,000	3,878	4,045
Iris Merger Sub 2019 Inc. 9.38% 02-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 440,000	584	606
Iron Mountain Canada Operations ULC 5.38% 09-15-2023 Callable 2020	United States	Corporate - Non Convertible	3,160,000	3,160	3,103
Ivanhoe Cambridge II Inc. 2.30% 12-12-2024 Callable 2024	Canada	Corporate - Non Convertible	50,000	50	50
Jane Street Group LLC Term Loan B 1st Lien F/R 01-31-2025	United States	Term Loans	USD 438,550	579	561
JBS Investments II GmbH 5.75% 01-15-2028 Callable 2022	United States	Corporate - Non Convertible	USD 60,000	72	82
Kestrel Bidco Inc. Term Loan 1st Lien F/R 08-07-2026	Canada	Term Loans	USD 1,615,950	2,134	1,792
Keyera Corp. F/R 06-13-2079 Callable 2029	Canada	Corporate - Non Convertible	4,770,000	4,908	4,243
KFC Holding Co. 5.25% 06-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 970,000	1,271	1,381
The Kraft Heinz Co. 5.00% 06-04-2042	United States	Corporate - Non Convertible	USD 730,000	991	982
Kraft Heinz Foods Co. 3.00% 06-01-2026 Callable 2026	United States	Corporate - Non Convertible	USD 730,000	965	978
The Kroger Co. 3.95% 01-15-2050 Callable 2049	United States	Corporate - Non Convertible	USD 85,000	121	125
Kruger Products LP 6.00% 04-24-2025 Callable 2021	Canada	Corporate - Non Convertible	2,602,000	2,546	2,413
LABL Escrow Issuer LLC 6.75% 07-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 365,000	505	485
LABL Escrow Issuer LLC 10.50% 07-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 1,060,000	1,439	1,396
Lamb Weston Holdings Inc. 4.63% 11-01-2024 Callable 2021 144A	United States	Corporate - Non Convertible	USD 460,000	617	642
Lamb Weston Holdings Inc. 4.88% 11-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 2,290,000	3,095	3,293
LG FinanceCo Corp. 5.88% 11-01-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 890,000	1,183	1,210
Liberty Utilities (Canada) LP 3.32% 02-14-2050 Callable 2049	Canada	Corporate - Non Convertible	40,000	40	36
Live Nation Entertainment Inc. 4.75% 10-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 240,000	320	308
Loblaw Companies Ltd. 4.49% 12-11-2028 Callable 2028	Canada	Corporate - Non Convertible	210,000	230	229
Louisiana-Pacific Corp. 4.88% 09-15-2024 Callable 2020	United States	Corporate - Non Convertible	USD 265,000	344	322
Mattel Inc. 3.15% 03-15-2023 Callable 2022	United States	Corporate - Non Convertible	USD 820,000	1,060	1,079
MEG Energy Corp. 7.00% 03-31-2024 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 995,000	1,055	649
MEG Energy Corp. 6.50% 01-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 2,288,000	2,938	2,049
MEG Energy Corp. 7.13% 02-01-2027 Callable 2023 144A	Canada	Corporate - Non Convertible	USD 4,200,000	5,513	2,962
Meredith Corp. 6.88% 02-01-2026 Callable 2021	United States	Corporate - Non Convertible	USD 955,000	1,255	1,185
Millar Western Forest Products Ltd. 9.50% 06-20-2023 Callable 2020	Canada	Corporate - Non Convertible	1,085,000	1,109	773
Molina Healthcare Inc. 5.38% 11-15-2022 Callable 2022	United States	Corporate - Non Convertible	USD 430,000	566	604
MSCI Inc. 3.63% 09-01-2030 Callable 2025 144A	United States	Corporate - Non Convertible	USD 150,000	207	202
National Australia Bank Ltd. F/R 06-12-2030 Callable 2025	Australia	Corporate - Non Convertible	200,000	200	193
National Bank of Canada 2.58% 02-03-2025	Canada	Corporate - Non Convertible	150,000	150	149
Netflix Inc. 4.88% 04-15-2028	United States	Corporate - Non Convertible	USD 530,000	670	762



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
New Red Finance Inc. 4.25% 05-15-2024 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 2,645,000	3,469	3,760
New Red Finance Inc. 5.00% 10-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 3,655,000	4,581	4,978
Norbord Inc. 5.75% 07-15-2027 Callable 2022 144A	Canada	Corporate - Non Convertible	USD 620,000	845	812
NOVA Chemicals Corp. 5.25% 08-01-2023 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 3,040,000	3,526	3,737
NOVA Chemicals Corp. 4.88% 06-01-2024 Callable 144A	Canada	Corporate - Non Convertible	USD 863,000	1,166	1,069
NRG Energy Inc. 3.75% 06-15-2024 Callable 2024 144A	United States	Corporate - Non Convertible	USD 265,000	357	370
NRG Energy Inc. 7.25% 05-15-2026 Callable 2021	United States	Corporate - Non Convertible	USD 1,042,000	1,367	1,565
NRG Energy Inc. 4.45% 06-15-2029 Callable 2029 144A	United States	Corporate - Non Convertible	USD 410,000	551	576
Nufarm Australia Ltd. 5.75% 04-30-2026 Callable 2021 144A	Australia	Corporate - Non Convertible	USD 1,100,000	1,396	1,343
Numericable-SFR 7.38% 05-01-2026 Callable 2021 144A	France	Corporate - Non Convertible	USD 925,000	1,316	1,307
NuVista Energy Ltd. 6.50% 03-02-2023 Callable 2020	Canada	Corporate - Non Convertible	3,210,000	3,097	2,073
Occidental Petroleum Corp. 4.10% 02-01-2021 Callable 2020	United States	Corporate - Non Convertible	USD 340,000	458	408
Occidental Petroleum Corp. 4.40% 04-15-2046 Callable 2045	United States	Corporate - Non Convertible	USD 1,050,000	1,213	663
Outfront Media Capital LLC 4.63% 03-15-2030 Callable 2025 144A	United States	Corporate - Non Convertible	USD 480,000	635	606
Panther BF Aggregator 2 LP 6.25% 05-15-2026 144A	United States	Corporate - Non Convertible	USD 330,000	461	439
Panther BF Aggregator 2 LP 8.50% 05-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 815,000	1,101	1,005
Paramount Resources Ltd. 6.88% 06-30-2023 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 3,000,000	3,646	2,901
Parkland Fuel Corp. 5.75% 09-16-2024 Callable 2020	Canada	Corporate - Non Convertible	7,450,000	7,594	7,110
Parkland Fuel Corp. 5.63% 05-09-2025 Callable 2020	Canada	Corporate - Non Convertible	2,150,000	2,150	2,024
Parkland Fuel Corp. 6.00% 04-01-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 2,128,000	2,984	2,797
Parkland Fuel Corp. 6.50% 01-21-2027 Callable 2022	Canada	Corporate - Non Convertible	1,000,000	1,000	943
Parsley Energy LLC/Parsley Finance Corp. 5.38% 01-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 470,000	530	514
Parsley Energy LLC 4.13% 02-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 230,000	277	222
Pembina Pipeline Corp. 4.02% 03-27-2028 Callable 2027	Canada	Corporate - Non Convertible	50,000	53	49
Pembina Pipeline Corp. 3.62% 04-03-2029 Callable 2029	Canada	Corporate - Non Convertible	40,000	41	37
Penske Automotive Group Inc. 5.50% 05-15-2026 Callable 2021	United States	Corporate - Non Convertible	USD 595,000	765	766
Petroleos Mexicanos 6.50% 03-13-2027	Mexico	Corporate - Non Convertible	USD 900,000	1,257	943
Precision Drilling Corp. 7.75% 12-15-2023 Callable 2020	Canada	Corporate - Non Convertible	USD 1,585,000	2,093	849
PSP Capital Inc. 2.05% 01-15-2030	Canada	Federal Government	110,000	111	112
Quad/Graphics Inc. 7.00% 05-01-2022	United States	Corporate - Non Convertible	USD 40,000	54	47
Quebecor Media Inc. 6.63% 01-15-2023 144A	Canada	Corporate - Non Convertible	5,725,000	5,781	5,849
Rackspace Hosting Inc. 8.63% 11-15-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,130,000	1,400	1,434
Reliance Intermediate Holdings LP 6.50% 04-01-2023 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 1,100,000	1,509	1,574
Rite Aid Corp. 6.13% 04-01-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 975,000	1,081	1,199
Rite Aid Corp. 7.50% 07-01-2025 Callable 2022	United States	Corporate - Non Convertible	USD 565,000	626	774
Rite Aid Corp. 7.70% 02-15-2027	United States	Corporate - Non Convertible	USD 1,205,000	1,192	1,322
Robertshaw US Holding Corp. Term Loan 1st Lien F/R 02-15-2025	United States	Term Loans	USD 578,941	721	520
Robertshaw US Holding Corp. Term Loan 2nd Lien F/R 02-15-2026	United States	Term Loans	USD 840,000	1,038	696
Rogers Communications Inc. 4.00% 06-06-2022	Canada	Corporate - Non Convertible	5,785,000	5,915	5,961
Rogers Communications Inc. 3.65% 03-31-2027	Canada	Corporate - Non Convertible	60,000	60	62
Royal Bank of Canada 2.61% 11-01-2024	Canada	Corporate - Non Convertible	40,000	40	40
Royal Bank of Canada F/R 12-23-2029 Callable 2024	Canada	Corporate - Non Convertible	50,000	50	48
Russel Metals Inc. 6.00% 03-16-2026 Callable 2021	Canada	Corporate - Non Convertible	1,720,000	1,720	1,597



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<b>BONDS (cont'd)</b>					
Saputo Inc. 2.88% 11-19-2024 Callable 2024	Canada	Corporate - Non Convertible	40,000	40	39
Scotts Miracle-Gro Co. 4.50% 10-15-2029	United States	Corporate - Non Convertible	USD 550,000	732	735
Service Corp. International 5.38% 05-15-2024 Callable 2020	United States	Corporate - Non Convertible	USD 1,635,000	1,802	2,347
Service Corp. International 5.13% 06-01-2029 Callable 2024	United States	Corporate - Non Convertible	USD 850,000	1,145	1,226
Sienna Senior Living Inc. 3.11% 11-04-2024	Canada	Corporate - Non Convertible	30,000	30	30
Silgan Holdings Inc. 4.13% 02-01-2028 Callable 2022 144A	United States	Corporate - Non Convertible	USD 710,000	934	941
Sinclair Television Group Inc. 5.50% 03-01-2030 Callable 2024 144A	United States	Corporate - Non Convertible	USD 720,000	955	847
Sirius XM Radio Inc. 5.00% 08-01-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 555,000	730	796
SmartCentres Real Estate Investment Trust 3.53% 12-20-2029 Callable 2029	Canada	Corporate - Non Convertible	160,000	164	156
Source Energy Services Canada LP 10.50% 12-15-2021 Callable 2020 144A	Canada	Corporate - Non Convertible	3,420,000	2,497	1,312
Sprint Capital Corp. 6.88% 11-15-2028	United States	Corporate - Non Convertible	USD 555,000	629	896
Sprint Corp. 7.25% 09-15-2021	United States	Corporate - Non Convertible	USD 1,000,000	1,058	1,456
Sprint Corp. 7.875% 09-15-2023 144A	United States	Corporate - Non Convertible	USD 360,000	541	535
Sprint Corp. 7.88% 09-15-2023	United States	Corporate - Non Convertible	USD 1,736,000	2,037	2,698
SRS Distribution Inc. Term Loan B 1st Lien F/R 05-24-2025	United States	Term Loans	USD 428,925	559	532
Steel Dynamics Inc. 4.13% 09-15-2025 Callable 2020	United States	Corporate - Non Convertible	USD 195,000	238	257
Steel Dynamics Inc. 5.00% 12-15-2026 Callable 2021	United States	Corporate - Non Convertible	USD 1,565,000	2,094	2,225
Superior Plus LP 5.25% 02-27-2024 Callable 2020	Canada	Corporate - Non Convertible	5,000,000	5,050	4,708
Superior Plus LP 5.13% 08-27-2025 Callable 2021	Canada	Corporate - Non Convertible	1,000,000	1,005	915
Superior Plus LP 7.00% 07-15-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 1,425,000	2,007	1,972
Sysco Canada Inc. 3.65% 04-25-2025 Callable 2025	United States	Corporate - Non Convertible	10,000	11	9
Tallgrass Energy Partners LP 5.50% 01-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 515,000	672	379
Target Corp. 2.25% 04-15-2025 Callable 2025	United States	Corporate - Non Convertible	USD 40,000	56	57
Teine Energy Ltd. 6.88% 09-30-2022 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 1,500,000	2,058	1,974
Telesat Canada 4.88% 06-01-2027 Callable 2022 144A	Canada	Corporate - Non Convertible	USD 2,400,000	3,191	3,279
Telesat Canada 6.50% 10-15-2027	Canada	Corporate - Non Convertible	USD 480,000	636	655
TELUS Corp. 3.35% 03-15-2023 Callable 2022	Canada	Corporate - Non Convertible	5,000,000	5,026	5,078
TELUS Corp. 3.15% 02-19-2030 Callable 2029	Canada	Corporate - Non Convertible	100,000	100	97
Tenet Healthcare Corp. 8.13% 04-01-2022	United States	Corporate - Non Convertible	USD 1,510,000	2,159	2,033
Tenet Healthcare Corp. 6.75% 06-15-2023	United States	Corporate - Non Convertible	USD 550,000	765	717
Tenet Healthcare Corp. 4.88% 01-01-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 190,000	261	257
TerraForm Power Operating LLC 5.00% 01-31-2028 Callable 2027 144A	United States	Corporate - Non Convertible	USD 1,080,000	1,495	1,599
TerraForm Power Operating LLC 4.75% 01-15-2030 Callable 2025 144A	United States	Corporate - Non Convertible	USD 190,000	253	261
Terrier Media Buyer Inc. Term Loan B 1st Lien F/R 12-12-2026	United States	Term Loans	USD 768,075	1,007	983
Tervita Escrow Corp. 7.63% 12-01-2021 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 2,535,000	3,356	2,517
Teva Pharmaceutical Finance Netherlands III BV 6.00% 04-15-2024	Israel	Corporate - Non Convertible	USD 460,000	593	643
Teva Pharmaceutical Finance Netherlands III BV 6.75% 03-01-2028 Callable 2027	Israel	Corporate - Non Convertible	USD 695,000	896	960
Teva Pharmaceutical Industries Ltd. 2.80% 07-21-2023	Israel	Corporate - Non Convertible	USD 1,460,000	1,570	1,900
T-Mobile USA Inc. 4.75% 02-01-2028 Callable 2023	United States	Corporate - Non Convertible	USD 730,000	931	1,073
The Toronto-Dominion Bank 1.91% 07-18-2023 DPNT	Canada	Corporate - Non Convertible	10,000	10	10
Toyota Credit Canada Inc. 2.11% 02-26-2025	Canada	Corporate - Non Convertible	30,000	30	29
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	4,600,000	4,463	3,663



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
TRI Pointe Holdings Inc. 5.88% 06-15-2024	United States	Corporate - Non Convertible	USD 205,000	220	270
Trulieve Cannabis Corp. 9.75% 06-18-2024	United States	Corporate - Non Convertible	USD 2,305,000	3,000	2,400
Uber Technologies Inc. 8.00% 11-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 2,085,000	2,786	2,942
Ventas Inc. 2.80% 04-12-2024 Callable 2024	United States	Corporate - Non Convertible	90,000	90	91
Vidéotron Ltée 5.00% 07-15-2022	Canada	Corporate - Non Convertible	USD 1,750,000	1,773	2,475
Vidéotron Ltée 5.63% 06-15-2025 Callable 2025	Canada	Corporate - Non Convertible	8,105,000	8,158	7,812
Vidéotron Ltée 5.13% 04-15-2027 Callable 2022 144A	Canada	Corporate - Non Convertible	USD 1,865,000	2,497	2,673
Vistra Operations Co. LLC 5.50% 09-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 395,000	516	575
Vistra Operations Co. LLC 5.00% 07-31-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 395,000	528	566
VRX Escrow Corp. 6.13% 04-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,725,000	2,067	2,414
Vungle Inc. Term Loan B 1st Lien F/R 09-30-2026	United States	Term Loans	USD 726,350	949	914
W&T Offshore Inc. 9.75% 11-01-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 450,000	551	144
Walgreen Co. 4.40% 09-15-2042	United States	Corporate - Non Convertible	USD 140,000	170	196
Walgreens Boots Alliance Inc. 4.80% 11-18-2044 Callable 2044	United States	Corporate - Non Convertible	USD 50,000	64	71
Walmart Inc. 3.70% 06-26-2028 Callable 2028	United States	Corporate - Non Convertible	USD 135,000	209	213
Walmart Inc. 2.38% 09-24-2029 Callable 2029	United States	Corporate - Non Convertible	USD 255,000	368	374
Walmart Inc. 3.63% 12-15-2047 Callable 2047	United States	Corporate - Non Convertible	USD 85,000	138	140
Wells Fargo & Co. 2.49% 02-18-2027	United States	Corporate - Non Convertible	170,000	170	160
Western Digital Corp. 4.75% 02-15-2026 Callable 2025	United States	Corporate - Non Convertible	USD 295,000	364	423
Wolverine World Wide Inc. 8.50% 11-15-2024 Callable 2021 144A	United States	Corporate - Non Convertible	USD 690,000	905	790
Wolverine World Wide Inc. 5.00% 09-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 470,000	604	598
WPX Energy Inc. 5.75% 06-01-2026 Callable 2021	United States	Corporate - Non Convertible	USD 330,000	403	269
WPX Energy Inc. 4.50% 01-15-2030 Callable 2025	United States	Corporate - Non Convertible	USD 764,000	885	576
Xplornet Communications Inc. 9.63% 06-01-2022 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 223,919	302	300
YPF SA 6.95% 07-21-2027	Argentina	Corporate - Non Convertible	USD 330,000	346	242
Ziggo BV 4.88% 01-15-2030 Callable 2024 144A	Netherlands	Corporate - Non Convertible	USD 275,000	361	372
<b>Total bonds</b>				<b>370,048</b>	<b>350,378</b>
<b>EQUITIES</b>					
Advanz Pharma Corp. Ltd.	Jersey	Health Care	13,773	262	75
AltaGas Ltd. Pfd. Series K	Canada	Energy	71,247	1,497	1,187
Avaya Holdings Corp.	United States	Information Technology	5	-	-
BCE Inc. Pfd. Series AL	Canada	Telecommunication Services	19,760	283	215
Brookfield Renewable Partners LP Pfd. Series 11	Canada	Utilities	42,279	994	760
CHC Group LLC	Cayman Islands	Energy	56,625	1,079	20
Fairfax Financial Holdings Ltd. Pfd. Series E	Canada	Financials	13,410	196	134
Fairfax Financial Holdings Ltd. Pfd. Series F	Canada	Financials	9,980	147	87
Husky Energy Inc. 4.45% 12-31-2049 Pfd. Series 1	Canada	Energy	164,970	1,806	925
iHeartMedia Inc. Purchase Warrants Exp. 05-01-2039	United States	Communication Services	14,635	-	19
Manulife Financial Corp. Pfd. Series 13	Canada	Financials	60,000	1,066	745
Nine Point Energy Holdings Inc. Pfd.	United States	Energy	538	735	-
Nine Point Energy Holdings Inc.	United States	Energy	20,794	454	-
Shaw Communications Inc. Pfd Series A	Canada	Consumer Discretionary	177,750	2,425	1,884
TC Energy Corp. Pfd. Series 15	Canada	Energy	17,454	438	351
Tervita Corp. Class A Voting	Canada	Health Care	9,500	88	33
TransAlta Corp. Pfd. Series A	Canada	Utilities	159,981	1,672	1,283
Trulieve Cannabis Corp. Purchase Warrants Exp. 06-18-2022	United States	Health Care	26,000	-	59
<b>Total equities</b>				<b>13,142</b>	<b>7,777</b>



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As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>OPTIONS</b>					
Options purchased (see schedule of options purchased)				258	2,393
<b>Total options</b>				<b>258</b>	<b>2,393</b>
<b>EXCHANGE-TRADED FUNDS/NOTES</b>					
Mackenzie Emerging Markets Bond Index ETF (CAD-Hedged)	Canada	Exchange-Traded Funds/Notes	43,966	4,411	3,740
Mackenzie Emerging Markets Local Currency Bond Index ETF	United States	Exchange-Traded Funds/Notes	21,424	2,188	1,979
<b>Total exchange-traded funds/notes</b>				<b>6,599</b>	<b>5,719</b>
Transaction costs				(27)	—
<b>Total investments</b>				<b>390,020</b>	<b>366,267</b>
Derivative instruments (see schedule of derivative instruments)					(14,589)
Cash and cash equivalents					31,637
Other assets less liabilities					4,147
<b>Total net assets</b>					<b>387,462</b>



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## SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2020	
Portfolio Allocation	% of NAV
Bonds	91.0
<i>Bonds</i>	90.4
<i>Purchased options</i>	0.6
<i>Short futures</i>	0.0
Cash and short-term investments	8.2
Equities	2.0
Exchange-traded funds/notes	1.5
Other assets (liabilities)	(2.7)

Regional Allocation	
	% of NAV
Canada	54.3
United States	33.9
Cash and short-term investments	8.2
United Kingdom	1.3
Israel	0.9
Other	0.8
France	0.6
Netherlands	0.6
Ireland	0.5
Luxembourg	0.5
Australia	0.4
Zambia	0.4
Cayman Islands	0.3
Other assets (liabilities)	(2.7)

Sector Allocation	
	% of NAV
Corporate bonds – Energy	17.2
Corporate bonds – Media	10.1
Corporate bonds – Retail	9.5
Corporate bonds – Telecommunications	8.3
Cash and short-term investments	8.2
Corporate bonds – Healthcare	7.8
Other	7.5
Corporate bonds – Basic industry	7.3
Corporate bonds – Capital goods	5.6
Term loans	5.2
Corporate bonds – Consumer goods	2.9
Corporate bonds – Utility	2.9
Corporate bonds – Technology and electronics	2.8
Corporate bonds – Banking	2.6
Corporate bonds – Services	2.6
Corporate bonds – Financial services	2.2
Other assets (liabilities)	(2.7)

March 31, 2019	
Portfolio Allocation	% of NAV
Bonds	93.5
Other assets (liabilities)	3.1
Cash and short-term investments	2.3
Equities	1.1

Regional Allocation	
	% of NAV
Canada	51.0
United States	40.9
Other assets (liabilities)	3.1
Cash and short-term investments	2.3
Luxembourg	0.8
Israel	0.6
Cayman Islands	0.3
Ireland	0.3
Mexico	0.2
Zambia	0.2
Switzerland	0.1
United Kingdom	0.1
France	0.1

Sector Allocation	
	% of NAV
Corporate bonds – Energy	18.8
Corporate bonds – Basic industry	13.7
Corporate bonds – Media	8.3
Corporate bonds – Telecommunications	7.3
Corporate bonds – Capital goods	7.2
Corporate bonds – Healthcare	6.4
Corporate bonds – Retail	5.6
Other	5.5
Corporate bonds – Leisure	5.4
Term loans	3.5
Corporate bonds – Services	3.3
Other assets (liabilities)	3.1
Corporate bonds – Financial services	2.7
Corporate bonds – Banking	2.6
Corporate bonds – Utility	2.6
Cash and short-term investments	2.3
Corporate bonds – Real estate	1.7



**MACKENZIE**  
Investments

# MACKENZIE CORPORATE BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

FIXED INCOME 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	1,263	Put	Jun. 19, 2020	USD 86.00	191	1,794
iShares iBoxx \$ High Yield Corporate Bond ETF	388	Put	Jun. 19, 2020	USD 87.00	67	599
<b>Total options</b>					<b>258</b>	<b>2,393</b>



**MACKENZIE**  
Investments

# MACKENZIE CORPORATE BOND FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

FIXED INCOME 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)
(22)	Euro-BTP Futures June 2020	Jun. 8, 2020	141.98 EUR	(4,832)	19
Unrealized Gains				(4,832)	19
<b>Total futures contracts</b>				<b>(4,832)</b>	<b>19</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)		
AA	15,060	U.S. dollar	(21,126)	Canadian dollar	Apr. 3, 2020	21,126	21,227	101
A	4,090	U.S. dollar	(5,436)	Canadian dollar	Apr. 24, 2020	5,436	5,756	320
A	4,440	U.S. dollar	(5,963)	Canadian dollar	Apr. 24, 2020	5,963	6,248	285
AA	4,440	U.S. dollar	(5,962)	Canadian dollar	Apr. 24, 2020	5,962	6,248	286
A	12,059	Canadian dollar	(8,530)	U.S. dollar	Apr. 24, 2020	(12,059)	(12,004)	55
A	4,440	U.S. dollar	(5,963)	Canadian dollar	May 8, 2020	5,963	6,245	282
A	4,100	U.S. dollar	(5,496)	Canadian dollar	Jun. 12, 2020	5,496	5,765	269
A	2,770	U.S. dollar	(3,721)	Canadian dollar	Jun. 12, 2020	3,721	3,895	174
A	9,870	U.S. dollar	(13,596)	Canadian dollar	Jun. 12, 2020	13,596	13,879	283
A	4,700	U.S. dollar	(6,468)	Canadian dollar	Jun. 12, 2020	6,468	6,610	142
Unrealized Gains								2,197
AA	19,678	Canadian dollar	(15,060)	U.S. dollar	Apr. 3, 2020	(19,678)	(21,227)	(1,549)
AA	1,180	Canadian dollar	(810)	Euro	Apr. 17, 2020	(1,180)	(1,258)	(78)
AA	70	Euro	(109)	Canadian dollar	Apr. 17, 2020	109	108	(1)
AA	20	Euro	(31)	Canadian dollar	Apr. 17, 2020	31	31	–
AA	60	Euro	(94)	Canadian dollar	Apr. 17, 2020	94	93	(1)
AA	5,920	U.S. dollar	(8,584)	Canadian dollar	Apr. 17, 2020	8,584	8,336	(248)
A	111	Canadian dollar	(71)	Euro	Apr. 22, 2020	(111)	(111)	–
A	16	Canadian dollar	(10)	Euro	Apr. 22, 2020	(16)	(16)	–
A	80,749	Canadian dollar	(61,779)	U.S. dollar	May 8, 2020	(80,749)	(86,896)	(6,147)
AA	25,830	Canadian dollar	(19,500)	U.S. dollar	May 22, 2020	(25,830)	(27,426)	(1,596)
A	30,172	Canadian dollar	(22,769)	U.S. dollar	Jun. 12, 2020	(30,172)	(32,018)	(1,846)
A	87,581	Canadian dollar	(66,079)	U.S. dollar	Jun. 12, 2020	(87,581)	(92,920)	(5,339)
Unrealized (Losses)								(16,805)
<b>Total forward currency contracts</b>								<b>(14,608)</b>
<b>Total derivative instruments at fair value</b>								<b>(14,589)</b>



**MACKENZIE**  
Investments

## 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 CORPORATE BOND 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))

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

Date of Formation October 19, 1999

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 securities are offered to retail investors investing a minimum of \$500.

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

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

Series 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 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.

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

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

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

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

Series S securities are offered to The Canada Life Assurance Company and certain other mutual funds, but may be sold to other investors as determined by Mackenzie.

Series E and Series PWF securities are no longer available for sale. Effective June 1, 2018, Series E and Series PWF securities were consolidated into Series F 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, Series PWT8 and Series PWX8 securities are no longer available for sale.

**Series Distributed by LBC Financial Services Inc.** (1360 René-Lévesque Blvd. West, 13th Floor, Montréal, Québec H3G 0A9; 1-800-522-1846; [www.laurentianbank.ca/mackenzie](http://www.laurentianbank.ca/mackenzie))

Series LB securities are offered to retail investors investing a minimum of \$500.

Series LF securities are offered to retail investors investing a minimum of \$500, who are enrolled in the LBC Private Banking sponsored fee-for-service program.

Series LW securities are offered through our Preferred Pricing Program to certain high net worth investors who invest a minimum of \$100,000.

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, various low-load purchase options and a no-load purchase option. 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 CORPORATE BOND FUND

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## NOTES TO FINANCIAL STATEMENTS

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

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

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Mar. 31, 2020	Mar. 31, 2019
Series A	November 3, 2000	1.35%	0.18%	3.92	4.27
Series AR	November 20, 2013	1.35%	0.23%	8.40	9.14
Series D	December 17, 2013	1.00%	0.15%	8.32	9.05
Series E	None issued <sup>(4)</sup>	0.75%	0.15%	—	—
Series F	November 3, 2000	0.55% <sup>(3)</sup>	0.15%	4.13	4.50
Series FB	October 26, 2015	0.75%	0.20%	9.04	9.84
Series G	April 1, 2005	1.10%	0.18%	7.73	8.41
Series I	November 3, 2000	0.80%	0.20%	3.82	4.16
Series J	October 10, 2008	1.35%	0.15%	9.78	10.64
Series O	July 13, 2004	— <sup>(1)</sup>	— *	7.94	8.65
Series PW	October 10, 2013	1.05%	0.15%	8.50	9.25
Series PWF	None issued <sup>(5)</sup>	0.55%	0.15%	—	—
Series PWFB	April 3, 2017	0.55%	0.15%	8.78	9.56
Series PWR	April 1, 2019	1.05%	0.15%	9.18	—
Series PWT8	August 27, 2014	1.05%	0.15%	9.78	11.05
Series PWX	November 19, 2013	— <sup>(2)</sup>	— <sup>(2)</sup>	8.40	9.14
Series PWX8	December 20, 2013	— <sup>(2)</sup>	— <sup>(2)</sup>	10.60	11.82
Series R	July 3, 2007	— *	— *	8.01	8.72
Series S	February 28, 2005	— <sup>(1)</sup>	0.02%	7.78	8.47
Series LB	January 19, 2012	1.35%	0.18%	8.78	9.55
Series LF	December 9, 2019	0.55%	0.15%	9.14	—
Series LW	December 1, 2017	1.05%	0.15%	8.83	9.61

\* 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 Series F was charged to the Fund at a rate of 0.75%.

(4) The series' original start date was December 2, 2008. All securities in the series were consolidated into Series F on June 1, 2018.

(5) The series' original start date was October 9, 2013. All securities in the series were consolidated into Series F on June 1, 2018.

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

As at March 31, 2020, Mackenzie, other funds managed by Mackenzie and The Canada Life Assurance Company had an investment of \$8, \$1,705 and \$18,903 (2019 – \$6, \$1,995 and \$19,285), respectively, in the Fund.

#### (c) Loss Carryforwards

As at the last taxation year-end, the Fund has capital losses of \$60,475 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.

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

#### (d) Securities Lending

The value of securities loaned and collateral received from securities lending at March 31, 2020 and 2019, were as follows:

	March 31, 2020	March 31, 2019
	(\$)	(\$)
Value of securities loaned	10,341	13,006
Value of collateral received	10,888	13,922

Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments and financial institutions.

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	103	100.0	271	100.0
Tax withheld	(17)	(16.5)	(56)	(20.7)
	86	83.5	215	79.3
Payments to Securities Lending Agent	(20)	(19.4)	(54)	(19.9)
Securities lending income	66	64.1	161	59.4

#### (e) Commissions

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

	(\$)
March 31, 2020	4
March 31, 2019	–

#### (f) Change in Sub-Advisor

Mackenzie relied on a recommendation issued by the Mackenzie Funds' Independent Review Committee to replace the Fund's sub-advisor, Putnam Advisory Co. LLC, with portfolio managers at Mackenzie, effective September 20, 2019.

#### (g) Investments Received as Collateral

As at March 31, 2020, \$Nil (2019 – \$2,442) of cash have been received from Citibank and J.P. Morgan and United States Treasury Bills with a fair value of \$Nil (2019 – \$297,169) have been received from State Street Bank and Bank of America as collateral against forward currency contracts.

#### (h) 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	965	(946)	–	19
Unrealized losses on derivative contracts	(7,743)	946	578	(6,219)
Liability for options written	–	–	–	–
Total	(6,778)	–	578	(6,200)



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## NOTES TO FINANCIAL STATEMENTS

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

#### (h) Offsetting of Financial Assets and Liabilities (cont'd)

	March 31, 2019			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	3,289	(359)	–	2,930
Unrealized losses on derivative contracts	(359)	359	–	–
Liability for options written	–	–	–	–
<b>Total</b>	<b>2,930</b>	<b>–</b>	<b>–</b>	<b>2,930</b>

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

##### i. Risk exposure and management

The Fund seeks above-average income with potential for long-term capital growth by investing primarily in higher-yielding Canadian fixed income securities and equities. It may hold up to 49% 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.

	March 31, 2020			
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	234,759	31,063	(188,282)	77,540
Euro	1,175	–	(1,134)	41
<b>Total</b>	<b>235,934</b>	<b>31,063</b>	<b>(189,416)</b>	<b>77,581</b>
% of Net Assets	60.9	8.0	(48.9)	20.0

	March 31, 2019			
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	364,643	6,720	(376,900)	(5,537)
<b>Total</b>	<b>364,643</b>	<b>6,720</b>	<b>(376,900)</b>	<b>(5,537)</b>
% of Net Assets	72.4	1.3	(74.8)	(1.1)

\* Includes both monetary and non-monetary financial instruments

As at March 31, 2020, had the Canadian dollar increased or decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have increased or decreased by approximately \$3,879 or 1.0% of total net assets (2019 – increased or decreased by \$277 or 0.0%). In practice, the actual trading results may differ and the difference could be material.



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## NOTES TO FINANCIAL STATEMENTS

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

#### (i) 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	3,810	(4,832)	6,393	—
1-5 years	157,198	—	196,225	—
5-10 years	156,169	—	246,030	—
Greater than 10 years	33,201	—	22,444	—
Total	350,378	(4,832)	471,092	—

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 \$13,188 or 3.4% (2019 – \$18,385 or 3.6%) 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 \$13,246 or 3.4% (2019 – \$18,385 or 3.6%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

##### iv. Other price risk

As at March 31, 2020 and 2019, the Fund did not have a significant exposure to price risk.

##### v. Credit risk

The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. The maximum exposure to any one debt issuer as at March 31, 2020, was 3.3% of the net assets of the Fund (2019 – 5.1%).

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	—	—
AA	0.2	—
A	1.9	1.3
BBB	20.9	17.3
BB	38.4	41.0
B	19.2	27.5
Less than B	6.9	5.7
Unrated	2.9	0.7
Total	90.4	93.5

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

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

#### (j) 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	–	350,378	–	350,378	–	471,092	–	471,092
Equities	7,705	53	19	7,777	5,399	61	200	5,660
Options	–	2,393	–	2,393	–	–	–	–
Exchange-traded funds/notes	5,719	–	–	5,719	–	–	–	–
Derivative assets	19	2,197	–	2,216	–	8,972	–	8,972
Derivative liabilities	–	(16,805)	–	(16,805)	–	(1,144)	–	(1,144)
Short-term investments	–	–	–	–	–	167	–	167
Total	13,443	338,216	19	351,678	5,399	479,148	200	484,747

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.

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.

The table below presents a reconciliation of financial instruments measured at fair value using unobservable inputs (Level 3) for the periods ended March 31, 2020 and 2019:

	March 31, 2020	March 31, 2019
	Equities (\$)	Equities (\$)
Balance – beginning of period	200	1,134
Purchases	–	–
Sales	–	–
Transfers in	–	–
Transfers out	–	–
Gains (losses) during the period:		
Realized	–	–
Unrealized	(181)	(934)
Balance – end of period	19	200
Change in unrealized gains (losses) during the period attributable to securities held at end of period	(181)	(934)

Changing one or more of the inputs to reasonably possible alternative assumptions for valuing Level 3 financial instruments would not significantly affect the fair value of those instruments.