

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## MANAGEMENT REPORT

### Management's Responsibility for Financial Reporting

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

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

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

On behalf of Mackenzie Financial Corporation,  
Manager of the Fund



Barry McInerney  
President and Chief Executive Officer



Terry Rountes  
Chief Financial Officer, Funds

July 13, 2020

## INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Mackenzie Strategic Income 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.



MACKENZIE  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## 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



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## STATEMENTS OF FINANCIAL POSITION

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

	2020	2019		2020	2019
	\$	\$		\$	\$
<b>ASSETS</b>					
<b>Current assets</b>					
Investments at fair value	1,931,658	1,742,391	HW Series	4,573	2,805
Cash and cash equivalents	110,601	148,635	HW5 Series	262	19
Accrued interest receivable	8,097	7,050	HW8 Series	1	–
Dividends receivable	1,900	1,867	L Series	66,598	41,078
Accounts receivable for investments sold	27,403	12,168	L5 Series	2,726	2,096
Accounts receivable for securities issued	364	1,065	L8 Series	917	–
Due from manager	89	69	N Series	33,302	24,881
Margin on derivatives	2,051	550	N5 Series	1,303	1,292
Unrealized gains on derivative contracts	2,933	707	N8 Series	125	–
<b>Total assets</b>	<b>2,085,096</b>	<b>1,914,502</b>	D5 Series	1,286	1,203
			D8 Series	1,742	–
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable for investments purchased	25,167	39,072	QF Series	8,268	4,542
Accounts payable for securities redeemed	2,558	1,676	QF5 Series	259	225
Due to manager	90	–	QFW Series	2,667	576
Unrealized losses on derivative contracts	36,650	3,404	QFW5 Series	2	1
<b>Total liabilities</b>	<b>64,465</b>	<b>44,152</b>	Series LB	2,577	4,348
<b>Net assets attributable to securityholders</b>	<b>2,020,631</b>	<b>1,870,350</b>	Series LW	9,207	10,286
			Series LW5	4,991	5,979
<b>Net assets attributable to securityholders</b>			Series LX	802	1,239
<b>per series (note 3)</b>					
Series A	558,580	649,101			
Series AR	21,333	22,551			
Series B	3,391	3,171			
Series D	2,513	1,785			
Series DZ	581	–			
Series F	209,945	192,497			
Series F8	6,710	6,195			
Series FB	1,299	1,443			
Series J	1,483	1,648			
Series O	16,083	15,697			
Series PW	518,302	490,388			
Series PWB	2,268	1,363			
Series PWFB	7,927	5,923			
Series PWR	4,155	–			
Series PWT8	9,071	7,956			
Series PWX	11,099	9,782			
Series PWX8	848	978			
Series R	164,230	214,169			
Series S	122,398	–			
Series T8	10,985	9,979			
Quadrus Series	197,797	128,277			
H Series	7,922	6,563			
H5 Series	102	314			
H8 Series	1	–			

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



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## STATEMENTS OF FINANCIAL POSITION (cont'd)

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

	2020	2019
	\$	\$
Net assets attributable to securityholders per security (note 3)		
Series A	7.66	8.73
Series AR	10.57	11.65
Series B	10.37	11.43
Series D	12.53	14.17
Series DZ	9.12	—
Series F	8.70	9.81
Series F8	11.10	12.89
Series FB	9.36	10.56
Series J	8.39	9.53
Series O	11.16	12.48
Series PW	12.41	14.12
Series PWB	9.23	10.16
Series PWFB	8.62	9.72
Series PWR	9.05	—
Series PWT8	10.48	12.28
Series PWX	13.77	15.39
Series PWX8	11.80	13.59
Series R	9.03	9.94
Series S	9.13	—
Series T8	10.14	11.92
Quadrus Series	10.78	11.87
H Series	10.61	11.70
H5 Series	13.41	15.13
H8 Series	13.13	—
HW Series	9.15	10.08
HW5 Series	13.24	14.89
HW8 Series	13.17	—
L Series	10.80	11.89
L5 Series	13.49	15.30
L8 Series	13.07	—
N Series	10.81	11.92
N5 Series	14.29	15.98
N8 Series	13.21	—
D5 Series	12.97	14.78
D8 Series	13.04	—
QF Series	9.99	11.01
QF5 Series	13.62	15.37
QFW Series	9.16	10.08
QFW5 Series	13.25	14.91
Series LB	10.93	12.08
Series LW	9.08	10.02
Series LW5	12.41	14.12
Series LX	11.64	13.28

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



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## STATEMENTS OF COMPREHENSIVE INCOME

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

	2020	2019		2020	2019
	\$	\$		\$	\$
<b>Income</b>			<b>Series PWT8</b>	(644)	352
Dividends	36,983	37,046	<b>Series PWX</b>	(575)	592
Interest income	47,618	45,572	<b>Series PWX8</b>	(36)	68
Other changes in fair value of investments and other net assets			<b>Series R</b>	(5,967)	15,300
Net realized gain (loss)	36,933	5,349	<b>Series S</b>	(8,307)	–
Net unrealized gain (loss)	(217,070)	39,201	<b>Series T8</b>	(796)	512
Securities lending income	283	247	<b>Quadrus Series</b>	(15,179)	5,625
Fee rebate income	1,000	889	<b>H Series</b>	(571)	433
<b>Total income (loss)</b>	<b>(94,253)</b>	<b>128,304</b>	<b>H5 Series</b>	4	10
			<b>H8 Series</b>	–	–
<b>Expenses (note 6)</b>			<b>HW Series</b>	(281)	70
Management fees	31,693	28,608	<b>HW5 Series</b>	(27)	1
Management fee rebates	(94)	(116)	<b>HW8 Series</b>	–	–
Administration fees	3,543	3,189	<b>L Series</b>	(5,227)	1,900
Interest charges	2	14	<b>L5 Series</b>	(188)	95
Commissions and other portfolio transaction costs	848	706	<b>L8 Series</b>	(88)	–
Independent Review Committee fees	7	7	<b>N Series</b>	(1,757)	1,607
Other	6	14	<b>N5 Series</b>	(87)	87
<b>Expenses before amounts absorbed by Manager</b>	<b>36,005</b>	<b>32,422</b>	<b>N8 Series</b>	(7)	–
Expenses absorbed by Manager	–	–	<b>D5 Series</b>	(92)	53
<b>Net expenses</b>	<b>36,005</b>	<b>32,422</b>	<b>D8 Series</b>	(144)	–
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>(130,258)</b>	<b>95,882</b>	<b>QF Series</b>	(599)	256
Foreign withholding taxes	1,534	1,598	<b>QF5 Series</b>	(15)	11
Foreign income taxes paid (recovered)	–	–	<b>QFW Series</b>	(238)	16
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>(131,792)</b>	<b>94,284</b>	<b>QFW5 Series</b>	–	–
<b>Increase (decrease) in net assets attributable to securityholders from operations per series</b>			<b>Series LB</b>	(145)	142
<b>Series A</b>	<b>(36,463)</b>	<b>33,521</b>	<b>Series LW</b>	(621)	534
<b>Series AR</b>	<b>(1,486)</b>	<b>938</b>	<b>Series LW5</b>	(321)	332
<b>Series B</b>	<b>(241)</b>	<b>155</b>	<b>Series LX</b>	(44)	23
<b>Series D</b>	<b>(182)</b>	<b>80</b>			
<b>Series DZ</b>	<b>(44)</b>	<b>–</b>			
<b>Series F</b>	<b>(12,575)</b>	<b>9,618</b>			
<b>Series F8</b>	<b>(398)</b>	<b>284</b>			
<b>Series FB</b>	<b>(61)</b>	<b>82</b>			
<b>Series FB5</b>	<b>–</b>	<b>1</b>			
<b>Series J</b>	<b>(95)</b>	<b>83</b>			
<b>Series O</b>	<b>(889)</b>	<b>979</b>			
<b>Series PW</b>	<b>(36,322)</b>	<b>19,120</b>			
<b>Series PWB</b>	<b>(181)</b>	<b>50</b>			
<b>Series PWF</b>	<b>–</b>	<b>1,035</b>			
<b>Series PWF8</b>	<b>–</b>	<b>42</b>			
<b>Series PWFB</b>	<b>(557)</b>	<b>275</b>			
<b>Series PWFB5</b>	<b>–</b>	<b>2</b>			
<b>Series PWR</b>	<b>(346)</b>	<b>–</b>			

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



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## STATEMENTS OF COMPREHENSIVE INCOME (cont'd)

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

	2020	2019
	\$	\$
Increase (decrease) in net assets attributable to securityholders from operations per security		
Series A	(0.49)	0.41
Series AR	(0.79)	0.54
Series B	(0.78)	0.52
Series D	(1.07)	0.78
Series DZ	(0.67)	—
Series F	(0.58)	0.55
Series F8	(0.72)	0.63
Series FB	(0.42)	0.63
Series FB5	—	0.23
Series J	(0.54)	0.41
Series O	(0.66)	0.79
Series PW	(0.96)	0.64
Series PWB	(1.04)	0.53
Series PWF	—	0.23
Series PWF8	—	0.20
Series PWFB	(0.65)	0.73
Series PWFB5	—	0.23
Series PWR	(1.02)	—
Series PWT8	(0.81)	0.58
Series PWX	(0.79)	1.10
Series PWX8	(0.49)	1.09
Series R	(0.30)	0.65
Series S	(0.62)	—
Series T8	(0.80)	0.54
Quadrus Series	(0.98)	0.54
H Series	(0.85)	0.69
H5 Series	0.30	0.69
H8 Series	(1.00)	—
HW Series	(0.72)	0.29
HW5 Series	(2.30)	1.59
HW8 Series	(0.98)	—
L Series	(1.07)	0.59
L5 Series	(1.13)	0.76
L8 Series	(1.13)	—
N Series	(0.64)	0.79
N5 Series	(0.97)	1.09
N8 Series	(0.89)	—
D5 Series	(1.04)	0.72
D8 Series	(1.04)	—
QF Series	(0.94)	0.65
QF5 Series	(0.94)	0.84
QFW Series	(1.41)	0.35
QFW5 Series	(1.04)	0.42
Series LB	(0.49)	0.20
Series LW	(0.60)	0.76
Series LW5	(0.77)	1.05
Series LX	(0.54)	0.08

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



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## 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 B		Series D		Series DZ	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	<b>649,101</b>	<b>919,022</b>	<b>22,551</b>	<b>17,547</b>	<b>3,171</b>	<b>3,735</b>	<b>1,785</b>	<b>1,087</b>	–	–
Increase (decrease) in net assets from operations	(36,463)	33,521	(1,486)	938	(241)	155	(182)	80	(44)	–
Distributions paid to securityholders:										
Investment income	(13,088)	(14,359)	(437)	(386)	(74)	(67)	(68)	(42)	(7)	–
Capital gains	(6,107)	–	(208)	–	(36)	–	(25)	(1)	(2)	–
Return of capital	(21,987)	(27,622)	–	–	–	–	(66)	(43)	–	–
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(41,182)	(41,981)	(645)	(386)	(110)	(67)	(159)	(86)	(9)	–
Security transactions:										
Proceeds from securities issued	148,617	143,000	6,457	5,576	3,015	1,213	1,161	861	–	–
Proceeds from securities issued on merger	46,499	–	–	–	–	–	31	–	1,261	–
Reinvested distributions	38,914	38,633	645	386	101	60	145	79	9	–
Payments on redemption of securities	(246,906)	(443,094)	(6,189)	(1,510)	(2,545)	(1,925)	(268)	(236)	(636)	–
Total security transactions	(12,876)	(261,461)	913	4,452	571	(652)	1,069	704	634	–
<b>Total increase (decrease) in net assets</b>	<b>(90,521)</b>	<b>(269,921)</b>	<b>(1,218)</b>	<b>5,004</b>	<b>220</b>	<b>(564)</b>	<b>728</b>	<b>698</b>	<b>581</b>	<b>–</b>
<b>End of period</b>	<b>558,580</b>	<b>649,101</b>	<b>21,333</b>	<b>22,551</b>	<b>3,391</b>	<b>3,171</b>	<b>2,513</b>	<b>1,785</b>	<b>581</b>	<b>–</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	<b>74,335</b>	<b>103,866</b>	<b>1,936</b>	<b>1,545</b>	<b>278</b>	<b>335</b>	<b>126</b>	<b>76</b>	–	–
Issued	17,131	16,426	553	489	261	110	83	61	–	–
Issued on merger	5,394	–	–	–	–	–	2	–	126	–
Reinvested distributions	4,525	4,437	55	34	9	5	10	6	1	–
Redeemed	(28,470)	(50,394)	(527)	(132)	(221)	(172)	(20)	(17)	(63)	–
<b>Securities outstanding – end of period</b>	<b>72,915</b>	<b>74,335</b>	<b>2,017</b>	<b>1,936</b>	<b>327</b>	<b>278</b>	<b>201</b>	<b>126</b>	<b>64</b>	<b>–</b>

	Series F		Series F8		Series FB		Series FB5		Series J	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	<b>192,497</b>	<b>100,225</b>	<b>6,195</b>	<b>3,200</b>	<b>1,443</b>	<b>1,535</b>	–	<b>106</b>	<b>1,648</b>	<b>2,128</b>
Increase (decrease) in net assets from operations	(12,575)	9,618	(398)	284	(61)	82	–	1	(95)	83
Distributions paid to securityholders:										
Investment income	(6,849)	(5,531)	(224)	(190)	(47)	(41)	–	(1)	(39)	(45)
Capital gains	(2,321)	(91)	(76)	(3)	(17)	(1)	–	–	(16)	–
Return of capital	(4,869)	(4,438)	(368)	(291)	(38)	(37)	–	–	(51)	(68)
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(14,039)	(10,060)	(668)	(484)	(102)	(79)	–	(1)	(106)	(113)
Security transactions:										
Proceeds from securities issued	77,358	127,933	1,828	4,351	1,089	1,914	–	–	–	–
Proceeds from securities issued on merger	1,301	–	1	–	12	–	–	–	–	–
Reinvested distributions	10,909	6,728	211	94	101	77	–	1	106	113
Payments on redemption of securities	(45,506)	(41,947)	(459)	(1,250)	(1,183)	(2,086)	–	(107)	(70)	(563)
Total security transactions	44,062	92,714	1,581	3,195	19	(95)	–	(106)	36	(450)
<b>Total increase (decrease) in net assets</b>	<b>17,448</b>	<b>92,272</b>	<b>515</b>	<b>2,995</b>	<b>(144)</b>	<b>(92)</b>	<b>–</b>	<b>(106)</b>	<b>(165)</b>	<b>(480)</b>
<b>End of period</b>	<b>209,945</b>	<b>192,497</b>	<b>6,710</b>	<b>6,195</b>	<b>1,299</b>	<b>1,443</b>	<b>–</b>	<b>–</b>	<b>1,483</b>	<b>1,648</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	<b>19,627</b>	<b>10,212</b>	<b>481</b>	<b>242</b>	<b>137</b>	<b>145</b>	–	<b>7</b>	<b>173</b>	<b>221</b>
Issued	7,955	13,050	142	332	103	183	–	–	–	–
Issued on merger	134	–	–	–	1	–	–	–	–	–
Reinvested distributions	1,124	695	17	7	10	7	–	–	11	12
Redeemed	(4,721)	(4,330)	(36)	(100)	(112)	(198)	–	(7)	(7)	(60)
<b>Securities outstanding – end of period</b>	<b>24,119</b>	<b>19,627</b>	<b>604</b>	<b>481</b>	<b>139</b>	<b>137</b>	<b>–</b>	<b>–</b>	<b>177</b>	<b>173</b>

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

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

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

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

	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Series O		Series PW		Series PWB		Series PWF		Series PWF8	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	<b>15,697</b>	<b>13,601</b>	<b>490,388</b>	<b>243,992</b>	<b>1,363</b>	<b>326</b>	<b>–</b>	<b>64,131</b>	<b>–</b>	<b>2,785</b>
Increase (decrease) in net assets from operations	(889)	979	(36,322)	19,120	(181)	50	–	1,035	–	42
Distributions paid to securityholders:										
Investment income	(686)	(672)	(11,953)	(9,486)	(38)	(21)	–	(365)	–	(16)
Capital gains	(202)	(15)	(5,178)	(20)	(16)	–	–	–	–	–
Return of capital	(250)	(225)	(17,129)	(15,416)	–	–	–	(319)	–	(23)
Management fee rebates	–	–	(7)	(40)	–	–	–	(9)	–	–
Total distributions paid to securityholders	(1,138)	(912)	(34,267)	(24,962)	(54)	(21)	–	(693)	–	(39)
Security transactions:										
Proceeds from securities issued	3,828	4,341	162,890	312,547	1,648	1,338	–	8,014	–	285
Proceeds from securities issued on merger	17	–	14,302	–	–	–	–	–	–	–
Reinvested distributions	1,037	814	32,627	23,385	49	21	–	461	–	9
Payments on redemption of securities	(2,469)	(3,126)	(111,316)	(83,694)	(557)	(351)	–	(72,948)	–	(3,082)
Total security transactions	2,413	2,029	98,503	252,238	1,140	1,008	–	(64,473)	–	(2,788)
<b>Total increase (decrease) in net assets</b>	<b>386</b>	<b>2,096</b>	<b>27,914</b>	<b>246,396</b>	<b>905</b>	<b>1,037</b>	<b>–</b>	<b>(64,131)</b>	<b>–</b>	<b>(2,785)</b>
<b>End of period</b>	<b>16,083</b>	<b>15,697</b>	<b>518,302</b>	<b>490,388</b>	<b>2,268</b>	<b>1,363</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	<b>1,258</b>	<b>1,099</b>	<b>34,730</b>	<b>17,093</b>	<b>134</b>	<b>33</b>	<b>–</b>	<b>4,288</b>	<b>–</b>	<b>215</b>
Issued	303	350	11,604	21,941	161	134	–	535	–	22
Issued on merger	1	–	1,025	–	–	–	–	–	–	–
Reinvested distributions	84	66	2,347	1,668	5	2	–	31	–	1
Redeemed	(205)	(257)	(7,955)	(5,972)	(54)	(35)	–	(4,854)	–	(238)
<b>Securities outstanding – end of period</b>	<b>1,441</b>	<b>1,258</b>	<b>41,751</b>	<b>34,730</b>	<b>246</b>	<b>134</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

	Series PWF8		Series PWF85		Series PWR		Series PWT8		Series PWX	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	<b>5,923</b>	<b>1,274</b>	<b>–</b>	<b>104</b>	<b>–</b>	<b>–</b>	<b>7,956</b>	<b>6,291</b>	<b>9,782</b>	<b>7,186</b>
Increase (decrease) in net assets from operations	(557)	275	–	2	(346)	–	(644)	352	(575)	592
Distributions paid to securityholders:										
Investment income	(268)	(119)	–	(1)	(81)	–	(212)	(168)	(456)	(363)
Capital gains	(96)	(2)	–	–	(34)	–	(91)	–	(136)	(8)
Return of capital	(194)	(91)	–	–	–	–	(604)	(453)	(171)	(117)
Management fee rebates	–	–	–	–	–	–	–	(1)	–	–
Total distributions paid to securityholders	(558)	(212)	–	(1)	(115)	–	(907)	(622)	(763)	(488)
Security transactions:										
Proceeds from securities issued	5,462	5,510	–	–	4,702	–	2,335	4,436	3,520	3,190
Proceeds from securities issued on merger	57	–	–	–	–	–	1,598	–	362	–
Reinvested distributions	543	202	–	–	115	–	438	209	724	468
Payments on redemption of securities	(2,943)	(1,126)	–	(105)	(201)	–	(1,705)	(2,710)	(1,951)	(1,166)
Total security transactions	3,119	4,586	–	(105)	4,616	–	2,666	1,935	2,655	2,492
<b>Total increase (decrease) in net assets</b>	<b>2,004</b>	<b>4,649</b>	<b>–</b>	<b>(104)</b>	<b>4,155</b>	<b>–</b>	<b>1,115</b>	<b>1,665</b>	<b>1,317</b>	<b>2,596</b>
<b>End of period</b>	<b>7,927</b>	<b>5,923</b>	<b>–</b>	<b>–</b>	<b>4,155</b>	<b>–</b>	<b>9,071</b>	<b>7,956</b>	<b>11,099</b>	<b>9,782</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	<b>609</b>	<b>131</b>	<b>–</b>	<b>7</b>	<b>–</b>	<b>–</b>	<b>648</b>	<b>495</b>	<b>636</b>	<b>471</b>
Issued	556	573	–	–	466	–	190	354	226	210
Issued on merger	6	–	–	–	–	–	133	–	24	–
Reinvested distributions	56	21	–	–	12	–	37	17	47	31
Redeemed	(308)	(116)	–	(7)	(19)	–	(142)	(218)	(127)	(76)
<b>Securities outstanding – end of period</b>	<b>919</b>	<b>609</b>	<b>–</b>	<b>–</b>	<b>459</b>	<b>–</b>	<b>866</b>	<b>648</b>	<b>806</b>	<b>636</b>

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



# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

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

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

	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Series PWX8		Series R		Series S		Series T8		Quadrus Series	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	978	804	214,169	251,044	–	–	9,979	14,754	128,277	116,773
Increase (decrease) in net assets from operations	(36)	68	(5,967)	15,300	(8,307)	–	(796)	512	(15,179)	5,625
Distributions paid to securityholders:										
Investment income	(39)	(36)	(8,112)	(9,831)	(2,822)	–	(230)	(224)	(2,954)	(1,679)
Capital gains	(11)	(1)	(2,390)	(205)	(588)	–	(110)	–	(1,982)	(225)
Return of capital	(42)	(33)	–	–	–	–	(756)	(706)	–	–
Management fee rebates	–	–	–	–	–	–	–	–	(74)	(50)
Total distributions paid to securityholders	(92)	(70)	(10,502)	(10,036)	(3,410)	–	(1,096)	(930)	(5,010)	(1,954)
Security transactions:										
Proceeds from securities issued	–	256	6,271	5,600	11,691	–	4,162	3,530	62,630	35,713
Proceeds from securities issued on merger	–	–	–	–	136,004	–	1,329	–	75,911	–
Reinvested distributions	70	31	1,356	392	3,410	–	546	313	5,003	1,941
Payments on redemption of securities	(72)	(111)	(41,097)	(48,131)	(16,990)	–	(3,139)	(8,200)	(53,835)	(29,821)
Total security transactions	(2)	176	(33,470)	(42,139)	134,115	–	2,898	(4,357)	89,709	7,833
<b>Total increase (decrease) in net assets</b>	<b>(130)</b>	<b>174</b>	<b>(49,939)</b>	<b>(36,875)</b>	<b>122,398</b>	<b>–</b>	<b>1,006</b>	<b>(4,775)</b>	<b>69,520</b>	<b>11,504</b>
<b>End of period</b>	<b>848</b>	<b>978</b>	<b>164,230</b>	<b>214,169</b>	<b>122,398</b>	<b>–</b>	<b>10,985</b>	<b>9,979</b>	<b>197,797</b>	<b>128,277</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	72	58	21,539	25,879	–	–	837	1,193	10,804	10,130
Issued	–	20	633	572	1,149	–	354	291	5,204	3,079
Issued on merger	–	–	–	–	13,600	–	114	–	6,424	–
Reinvested distributions	5	2	133	43	340	–	47	26	429	167
Redeemed	(5)	(8)	(4,112)	(4,955)	(1,680)	–	(269)	(673)	(4,507)	(2,572)
<b>Securities outstanding – end of period</b>	<b>72</b>	<b>72</b>	<b>18,193</b>	<b>21,539</b>	<b>13,409</b>	<b>–</b>	<b>1,083</b>	<b>837</b>	<b>18,354</b>	<b>10,804</b>

	H Series		H5 Series		H8 Series		HW Series		HW5 Series	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	6,563	7,848	314	98	–	–	2,805	–	19	–
Increase (decrease) in net assets from operations	(571)	433	4	10	–	–	(281)	70	(27)	1
Distributions paid to securityholders:										
Investment income	(212)	(161)	(9)	(8)	–	–	(117)	(40)	(5)	–
Capital gains	(120)	(22)	(3)	–	–	–	(68)	(10)	(1)	–
Return of capital	–	–	(5)	(4)	–	–	–	–	(4)	–
Management fee rebates	(7)	(8)	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(339)	(191)	(17)	(12)	–	–	(185)	(50)	(10)	–
Security transactions:										
Proceeds from securities issued	3,779	2,663	101	218	–	–	2,267	3,012	299	18
Proceeds from securities issued on merger	812	–	1	–	1	–	34	–	1	–
Reinvested distributions	338	189	12	6	–	–	185	50	2	–
Payments on redemption of securities	(2,660)	(4,379)	(313)	(6)	–	–	(252)	(277)	(22)	–
Total security transactions	2,269	(1,527)	(199)	218	1	–	2,234	2,785	280	18
<b>Total increase (decrease) in net assets</b>	<b>1,359</b>	<b>(1,285)</b>	<b>(212)</b>	<b>216</b>	<b>1</b>	<b>–</b>	<b>1,768</b>	<b>2,805</b>	<b>243</b>	<b>19</b>
<b>End of period</b>	<b>7,922</b>	<b>6,563</b>	<b>102</b>	<b>314</b>	<b>1</b>	<b>–</b>	<b>4,573</b>	<b>2,805</b>	<b>262</b>	<b>19</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	561	692	21	7	–	–	278	–	1	–
Issued	319	231	7	14	–	–	225	301	21	1
Issued on merger	70	–	–	–	–	–	3	–	–	–
Reinvested distributions	29	17	1	–	–	–	19	5	–	–
Redeemed	(232)	(379)	(21)	–	–	–	(25)	(28)	(2)	–
<b>Securities outstanding – end of period</b>	<b>747</b>	<b>561</b>	<b>8</b>	<b>21</b>	<b>–</b>	<b>–</b>	<b>500</b>	<b>278</b>	<b>20</b>	<b>1</b>

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

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

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

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

	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	HW8 Series		L Series		L5 Series		L8 Series		N Series	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	–	–	41,078	35,333	2,096	1,831	–	–	24,881	23,584
Increase (decrease) in net assets from operations	–	–	(5,227)	1,900	(188)	95	(88)	–	(1,757)	1,607
Distributions paid to securityholders:										
Investment income	–	–	(1,102)	(615)	(58)	(46)	(12)	–	(1,118)	(682)
Capital gains	–	–	(683)	(89)	(22)	–	(4)	–	(606)	(114)
Return of capital	–	–	–	–	(77)	(49)	(52)	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	–	–	(1,785)	(704)	(157)	(95)	(68)	–	(1,724)	(796)
Security transactions:										
Proceeds from securities issued	–	–	25,423	12,345	517	405	119	–	15,288	8,297
Proceeds from securities issued on merger	1	–	21,281	–	589	–	1,109	–	4,211	–
Reinvested distributions	–	–	1,784	702	78	29	49	–	1,723	795
Payments on redemption of securities	–	–	(15,956)	(8,498)	(209)	(169)	(204)	–	(9,320)	(8,606)
Total security transactions	1	–	32,532	4,549	975	265	1,073	–	11,902	486
<b>Total increase (decrease) in net assets</b>	<b>1</b>	<b>–</b>	<b>25,520</b>	<b>5,745</b>	<b>630</b>	<b>265</b>	<b>917</b>	<b>–</b>	<b>8,421</b>	<b>1,297</b>
<b>End of period</b>	<b>1</b>	<b>–</b>	<b>66,598</b>	<b>41,078</b>	<b>2,726</b>	<b>2,096</b>	<b>917</b>	<b>–</b>	<b>33,302</b>	<b>24,881</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	–	–	3,454	3,064	137	120	–	–	2,088	2,048
Issued	–	–	2,097	1,061	36	26	8	–	1,264	709
Issued on merger	–	–	1,798	–	38	–	74	–	355	–
Reinvested distributions	–	–	153	61	5	2	3	–	148	69
Redeemed	–	–	(1,335)	(732)	(14)	(11)	(15)	–	(775)	(738)
<b>Securities outstanding – end of period</b>	<b>–</b>	<b>–</b>	<b>6,167</b>	<b>3,454</b>	<b>202</b>	<b>137</b>	<b>70</b>	<b>–</b>	<b>3,080</b>	<b>2,088</b>

	N5 Series		N8 Series		D5 Series		D8 Series		QF Series	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	1,292	1,081	–	–	1,203	1,124	–	–	4,542	4,043
Increase (decrease) in net assets from operations	(87)	87	(7)	–	(92)	53	(144)	–	(599)	256
Distributions paid to securityholders:										
Investment income	(58)	(55)	(3)	–	(27)	(23)	(19)	–	(174)	(92)
Capital gains	(17)	(2)	(1)	–	(12)	–	(7)	–	(99)	(14)
Return of capital	(23)	(10)	(5)	–	(44)	(32)	(96)	–	–	–
Management fee rebates	–	–	–	–	(1)	(1)	(1)	–	(4)	(3)
Total distributions paid to securityholders	(98)	(67)	(9)	–	(84)	(56)	(123)	–	(277)	(109)
Security transactions:										
Proceeds from securities issued	475	175	12	–	175	294	19	–	4,635	2,150
Proceeds from securities issued on merger	83	–	141	–	224	–	2,124	–	2,085	–
Reinvested distributions	69	37	1	–	61	35	68	–	277	108
Payments on redemption of securities	(431)	(21)	(13)	–	(201)	(247)	(202)	–	(2,395)	(1,906)
Total security transactions	196	191	141	–	259	82	2,009	–	4,602	352
<b>Total increase (decrease) in net assets</b>	<b>11</b>	<b>211</b>	<b>125</b>	<b>–</b>	<b>83</b>	<b>79</b>	<b>1,742</b>	<b>–</b>	<b>3,726</b>	<b>499</b>
<b>End of period</b>	<b>1,303</b>	<b>1,292</b>	<b>125</b>	<b>–</b>	<b>1,286</b>	<b>1,203</b>	<b>1,742</b>	<b>–</b>	<b>8,268</b>	<b>4,542</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	81	69	–	–	81	76	–	–	413	379
Issued	30	11	1	–	13	20	2	–	414	200
Issued on merger	5	–	9	–	15	–	141	–	190	–
Reinvested distributions	4	2	–	–	4	2	5	–	26	10
Redeemed	(29)	(1)	(1)	–	(14)	(17)	(14)	–	(215)	(176)
<b>Securities outstanding – end of period</b>	<b>91</b>	<b>81</b>	<b>9</b>	<b>–</b>	<b>99</b>	<b>81</b>	<b>134</b>	<b>–</b>	<b>828</b>	<b>413</b>

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

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

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

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

	2020	2019	2020	2019	2020	2019	2020	2019
	QF5 Series		QFW Series		QFW5 Series		Series LB	
	\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>								
<b>Beginning of period</b>	225	191	576	–	1	–	4,348	11,064
Increase (decrease) in net assets from operations	(15)	11	(238)	16	–	–	(145)	142
Distributions paid to securityholders:								
Investment income	(8)	(7)	(47)	(7)	–	–	(44)	(32)
Capital gains	(3)	–	(24)	(2)	–	–	(69)	(35)
Return of capital	(6)	(4)	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(17)	(11)	(71)	(9)	–	–	(113)	(67)
Security transactions:								
Proceeds from securities issued	9	52	2,211	585	–	1	253	470
Proceeds from securities issued on merger	42	–	239	–	1	–	–	–
Reinvested distributions	17	11	71	9	–	–	113	67
Payments on redemption of securities	(2)	(29)	(121)	(25)	–	–	(1,879)	(7,328)
Total security transactions	66	34	2,400	569	1	1	(1,513)	(6,791)
<b>Total increase (decrease) in net assets</b>	<b>34</b>	<b>34</b>	<b>2,091</b>	<b>576</b>	<b>1</b>	<b>1</b>	<b>(1,771)</b>	<b>(6,716)</b>
<b>End of period</b>	<b>259</b>	<b>225</b>	<b>2,667</b>	<b>576</b>	<b>2</b>	<b>1</b>	<b>2,577</b>	<b>4,348</b>

	Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>								
<b>Securities outstanding – beginning of period</b>	15	13	57	–	–	–	360	944
Issued	1	3	215	59	–	–	21	39
Issued on merger	2	–	24	–	–	–	–	–
Reinvested distributions	1	1	7	1	–	–	9	6
Redeemed	–	(2)	(12)	(3)	–	–	(154)	(629)
<b>Securities outstanding – end of period</b>	<b>19</b>	<b>15</b>	<b>291</b>	<b>57</b>	<b>–</b>	<b>–</b>	<b>236</b>	<b>360</b>

	Series LW		Series LW5		Series LX		Total	
	\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>								
<b>Beginning of period</b>	10,286	5,351	5,979	3,548	1,239	5,162	1,870,350	1,871,908
Increase (decrease) in net assets from operations	(621)	534	(321)	332	(44)	23	(131,792)	94,284
Distributions paid to securityholders:								
Investment income	(137)	(72)	(128)	(89)	(21)	(76)	(51,983)	(45,648)
Capital gains	(213)	(80)	(58)	–	(10)	–	(21,662)	(940)
Return of capital	–	–	(191)	(156)	(36)	(158)	(47,064)	(50,295)
Management fee rebates	–	(2)	–	(2)	–	–	(94)	(116)
Total distributions paid to securityholders	(350)	(154)	(377)	(247)	(67)	(234)	(120,803)	(96,999)
Security transactions:								
Proceeds from securities issued	1,607	5,844	463	3,314	100	175	566,416	709,626
Proceeds from securities issued on merger	–	–	–	–	–	–	311,664	–
Reinvested distributions	350	153	374	245	65	229	102,696	77,082
Payments on redemption of securities	(2,065)	(1,442)	(1,127)	(1,213)	(491)	(4,116)	(577,900)	(785,551)
Total security transactions	(108)	4,555	(290)	2,346	(326)	(3,712)	402,876	1,157
<b>Total increase (decrease) in net assets</b>	<b>(1,079)</b>	<b>4,935</b>	<b>(988)</b>	<b>2,431</b>	<b>(437)</b>	<b>(3,923)</b>	<b>150,281</b>	<b>(1,558)</b>
<b>End of period</b>	<b>9,207</b>	<b>10,286</b>	<b>4,991</b>	<b>5,979</b>	<b>802</b>	<b>1,239</b>	<b>2,020,631</b>	<b>1,870,350</b>

	Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>						
<b>Securities outstanding – beginning of period</b>	1,026	550	423	248	93	383
Issued	160	606	32	245	8	13
Issued on merger	–	–	–	–	–	–
Reinvested distributions	35	17	27	17	5	17
Redeemed	(207)	(147)	(80)	(87)	(37)	(320)
<b>Securities outstanding – end of period</b>	<b>1,014</b>	<b>1,026</b>	<b>402</b>	<b>423</b>	<b>69</b>	<b>93</b>

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

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## STATEMENTS OF CASH FLOWS

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

	2020	2019
	\$	\$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to securityholders from operations	(131,792)	94,284
Adjustments for:		
Net realized loss (gain) on investments	(35,471)	(30,282)
Change in net unrealized loss (gain) on investments	217,420	(39,502)
Distributions received in-kind from underlying funds	(67)	(260)
Purchase of investments	(1,185,897)	(1,028,138)
Proceeds from sale and maturity of investments	1,126,755	1,221,040
Change in accrued interest receivable	(1,047)	1,302
Change in dividends receivable	(33)	220
Change in due from manager	(20)	(26)
Change in margin on derivatives	(1,501)	(59)
Change in due to manager	90	(181)
<b>Net cash from operating activities</b>	<b>(11,563)</b>	<b>218,398</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	428,785	382,993
Payments on redemption of securities	(434,998)	(458,458)
Distributions paid net of reinvestments	(18,107)	(19,917)
<b>Net cash from financing activities</b>	<b>(24,320)</b>	<b>(95,382)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(35,883)</b>	<b>123,016</b>
Cash and cash equivalents at beginning of period	148,635	25,622
Effect of exchange rate fluctuations on cash and cash equivalents	(2,151)	(3)
<b>Cash and cash equivalents at end of period</b>	<b>110,601</b>	<b>148,635</b>
Cash	92,922	12,190
Cash equivalents	17,679	136,445
<b>Cash and cash equivalents at end of period</b>	<b>110,601</b>	<b>148,635</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	36,950	37,266
Foreign taxes paid	1,534	1,598
Interest received	46,571	46,874
Interest paid	2	14

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



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SCHEDULE OF INVESTMENTS

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS</b>					
407 International Inc. 3.14% 03-06-2030 Callable 2029	Canada	Corporate - Non Convertible	300,000	308	313
407 International Inc. 3.65% 09-08-2044 Callable MTN	Canada	Corporate - Non Convertible	370,000	386	385
407 International Inc. 3.72% 05-11-2048 Callable 2047	Canada	Corporate - Non Convertible	1,510,000	1,576	1,602
407 International Inc. 3.67% 03-08-2049 Callable 2048	Canada	Corporate - Non Convertible	370,000	385	389
407 International Inc. 2.84% 03-07-2050	Canada	Corporate - Non Convertible	780,000	779	698
AAC holdings Inc. Term Loan 1st Lien F/R 06-30-2023	United States	Term Loans	USD 1,378,092	1,728	850
Adtalem Global Education Inc. Term Loan B 1st Lien F/R 04-09-2025	United States	Term Loans	USD 1,238,693	1,566	1,583
Aegis Toxicology Sciences Corp. Term Loan B 1st Lien F/R 05-09-2025	United States	Term Loans	USD 462,950	586	546
AerCap Holdings NV F/R 10-10-2079 Callable 2024	Ireland	Corporate - Non Convertible	USD 970,000	1,293	855
AerCap Ireland Capital Designated Activity Co. 4.88% 01-16-2024 Callable 2023	Ireland	Corporate - Non Convertible	USD 1,700,000	2,301	2,069
AG Merger Sub II Inc. Term Loan B 1st Lien F/R 08-01-2026	United States	Term Loans	USD 385,800	505	414
AIMCo Realty Investors LP 3.04% 06-01-2028 Callable 2028	Canada	Corporate - Non Convertible	660,000	670	691
AIMCo Realty Investors LP 2.71% 06-01-2029 Callable 2029	Canada	Corporate - Non Convertible	1,170,000	1,192	1,163
Air Lease Corp. 2.63% 12-05-2024 Callable 2024	United States	Corporate - Non Convertible	420,000	416	341
Albertsons Cos. Inc. 4.63% 01-15-2027 Callable 2023 144A	United States	Corporate - Non Convertible	USD 185,000	242	258
Albertsons Cos. Inc. 5.88% 02-15-2028 Callable 2022 144A	United States	Corporate - Non Convertible	USD 440,000	616	634
Alcami Carolinas Corp. Term Loan 1st Lien F/R 07-06-2025	United States	Term Loans	USD 1,398,700	1,832	1,814
Alchemy US Holdco LLC Term Loan B 1st Lien F/R 10-01-2025	United States	Term Loans	USD 1,837,250	2,351	2,292
Algonquin Power & Utilities Corp. 4.09% 02-17-2027 Callable	Canada	Corporate - Non Convertible	1,070,000	1,092	1,105
Alimentation Couche-Tard Inc. 2.95% 01-25-2030 Callable 2029 144A	Canada	Corporate - Non Convertible	USD 500,000	657	657
AltaLink LP 3.72% 12-03-2046 Callable MTN	Canada	Corporate - Non Convertible	891,000	979	950
Altice France SA 2.13% 02-15-2025 Callable 2022	France	Corporate - Non Convertible	EUR 1,300,000	1,876	1,862
Altice France 5.50% 01-15-2028 Callable 2022 144A	France	Corporate - Non Convertible	USD 230,000	305	312
American Teleconferencing Services Ltd. Term Loan 1st Lien F/R 06-08-2023	United States	Term Loans	USD 2,323,015	2,521	1,850
Anheuser-Busch InBev Finance Inc. 2.60% 05-15-2024 Callable 2024	Belgium	Corporate - Non Convertible	810,000	784	795
APFS Staffing Holdings Inc. Term Loan 1st Lien F/R 04-10-2026	United States	Term Loans	USD 1,121,525	1,470	1,304
ARD Finance SA 6.50% 06-30-2027 Callable 2022 144A	Luxembourg	Corporate - Non Convertible	USD 940,000	1,248	1,183
Aroundtown SA 4.63% 09-18-2025 Callable 2025	Germany	Corporate - Non Convertible	910,000	922	933
Ascend Performance Materials Operations LLC Term Loan B 1st Lien F/R 08-16-2026	United States	Term Loans	USD 1,631,800	2,122	2,047
Ashtead US Holdings Inc. 4.00% 05-01-2028	United Kingdom	Corporate - Non Convertible	USD 810,000	1,057	990
AT&T Inc. 4.35% 03-01-2029 Callable 2028	United States	Corporate - Non Convertible	USD 370,000	502	561
Atlantic Power Corp. 5.95% 06-23-2036	United States	Corporate - Non Convertible	2,825,000	1,901	2,324
Ball Metalpack Finco LLC Term Loan B 1st Lien F/R 07-26-2025	United States	Term Loans	USD 1,090,575	1,418	1,185
Bank of America Corp. 3.30% 04-24-2024 Callable 2023	United States	Corporate - Non Convertible	2,610,000	2,674	2,639
Bank of America Corp. F/R 04-25-2025 Callable 2024	United States	Corporate - Non Convertible	1,330,000	1,344	1,324
Bank of America Corp. F/R 09-20-2025 Callable 2024	United States	Corporate - Non Convertible	1,790,000	1,802	1,827
Bank of America Corp. F/R 03-24-2026 Callable 2025	United States	Corporate - Non Convertible	650,000	650	653
Bank of Montreal 2.89% 06-20-2023	Canada	Corporate - Non Convertible	1,580,000	1,595	1,616
Bank of Montreal 2.28% 07-29-2024	Canada	Corporate - Non Convertible	870,000	870	855
Bank of Montreal 2.70% 09-11-2024 DPNT	Canada	Corporate - Non Convertible	140,000	144	143
Bank of Montreal 2.37% 02-03-2025 Callable 2025	Canada	Corporate - Non Convertible	740,000	740	728
Bank of Montreal 3.32% 06-01-2026	Canada	Corporate - Non Convertible	140,000	143	140



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Bank of Montreal 3.19% 03-01-2028	Canada	Corporate - Non Convertible	1,210,000	1,228	1,277
Bank of Montreal F/R 09-17-2029 Callable 2024	Canada	Corporate - Non Convertible	120,000	120	117
The Bank of Nova Scotia 2.36% 11-08-2022	Canada	Corporate - Non Convertible	1,880,000	1,885	1,893
The Bank of Nova Scotia 2.38% 05-01-2023	Canada	Corporate - Non Convertible	1,590,000	1,589	1,580
The Bank of Nova Scotia 2.49% 09-23-2024	Canada	Corporate - Non Convertible	1,120,000	1,121	1,108
The Bank of Nova Scotia 2.16% 02-03-2025	Canada	Corporate - Non Convertible	1,380,000	1,380	1,345
The Bank of Nova Scotia F/R 07-03-2029 Callable 2024	Canada	Corporate - Non Convertible	620,000	621	601
Bausch Health Cos Inc. 5.50% 11-01-2025 Callable 144A	United States	Corporate - Non Convertible	USD 200,000	276	286
Bausch Health Cos Inc. 8.50% 01-31-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 320,000	448	473
Bausch Health Cos. Inc. 5.88% 05-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 286,000	379	399
Baytex Energy Corp. 5.63% 06-01-2024 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 760,000	899	419
bcIMC Realty Corp. 3.00% 03-31-2027 Callable 2026	Canada	Corporate - Non Convertible	1,070,000	1,093	1,106
BCPE Cycle Merger Sub II Inc. 10.63% 07-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 1,250,000	1,666	1,489
Bell Canada Inc. 3.80% 08-21-2028 Callable 2028	Canada	Corporate - Non Convertible	540,000	557	564
Bell Canada Inc. 2.90% 09-10-2029 Callable 2029	Canada	Corporate - Non Convertible	1,570,000	1,565	1,529
Berry Global Escrow Corp. 4.88% 07-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 620,000	834	885
BMC Acquisition Inc. Term Loan 1st Lien F/R 12-15-2024	United States	Term Loans	USD 639,345	814	890
The Boeing Co. 2.95% 02-01-2030 Callable 2029	United States	Corporate - Non Convertible	USD 230,000	258	300
Bombardier Inc. 6.00% 10-15-2022 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 960,000	1,165	1,017
BP Capital Markets PLC 3.47% 05-15-2025	United Kingdom	Corporate - Non Convertible	990,000	1,008	998
Bright Bidco BV Term Loan B 1st Lien F/R 06-30-2024	Netherlands	Term Loans	USD 222,968	291	119
Brookfield Infrastructure Finance ULC 4.20% 09-11-2028 Callable 2028	Canada	Corporate - Non Convertible	1,540,000	1,550	1,563
Brookfield Infrastructure Finance ULC 3.41% 10-09-2029 Callable 2029	Canada	Corporate - Non Convertible	990,000	990	939
Brookfield Renewable Energy Partners ULC 3.63% 01-15-2027 Callable 2026	Canada	Corporate - Non Convertible	1,450,000	1,449	1,474
Brookfield Renewable Partners ULC 4.25% 01-15-2029 Callable 2028	Canada	Corporate - Non Convertible	1,030,000	1,053	1,086
Brookfield Renewable Partners ULC 3.38% 01-15-2030 Callable 2029	Canada	Corporate - Non Convertible	380,000	380	371
Brookfield Renewable Partners ULC 4.29% 11-05-2049 Callable 2049	Canada	Corporate - Non Convertible	600,000	599	517
Brookfield Residential Properties Inc. 6.25% 09-15-2027 Callable 2022 144A	Canada	Corporate - Non Convertible	USD 1,105,000	1,464	1,356
Bulldog Purchaser Inc. Term Loan B 1st Lien F/R 08-31-2025	United States	Term Loans	USD 1,351,525	1,770	1,575
BWAY Corp. Term Loan B 1st Lien F/R 04-03-2024	United States	Term Loans	USD 324,000	385	378
BWAY Holding Co. 7.25% 04-15-2025 144A	United States	Corporate - Non Convertible	USD 1,301,000	1,640	1,440
C&D Technologies Inc. Term Loan B 1st Lien F/R 12-13-2025	United States	Term Loans	USD 1,154,631	1,362	1,473
Calfrac Holdings LP 8.50% 06-15-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 370,000	439	42
California Resources Corp. 8.00% 12-15-2022 Callable 2020 144A	United States	Corporate - Non Convertible	USD 935,000	929	27
Canadian Imperial Bank of Commerce 2.43% 06-09-2023	Canada	Corporate - Non Convertible	820,000	820	817
Canadian Imperial Bank of Commerce 2.97% 07-11-2023	Canada	Corporate - Non Convertible	460,000	470	472
Canadian Imperial Bank of Commerce 2.35% 08-28-2024	Canada	Corporate - Non Convertible	790,000	790	778
Canadian Imperial Bank of Commerce F/R 06-19-2029 Callable 2024	Canada	Corporate - Non Convertible	820,000	822	801
Canadian National Railway Co. 3.00% 02-08-2029 Callable 2028	Canada	Corporate - Non Convertible	860,000	875	887
Canadian National Railway Co. 3.60% 07-31-2048 Callable 2048	Canada	Corporate - Non Convertible	990,000	1,042	999
Canadian National Railway Co. 3.05% 02-08-2050 Callable 2049	Canada	Corporate - Non Convertible	550,000	545	502
Canadian Pacific Railway Ltd. 3.15% 03-13-2029 Callable 2028	Canada	Corporate - Non Convertible	650,000	658	670



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Capital Power Corp. 4.42% 02-08-2030 Callable 2029	Canada	Corporate - Non Convertible	500,000	502	510
CARDS II Trust 2.43% 11-15-2024	Canada	Corporate - Non Convertible	830,000	830	826
CareCentrix Inc. Term Loan 1st Lien F/R 03-22-2025	United States	Term Loans	USD 1,451,906	1,873	1,443
Casablanca US Holdings Inc. Term Loan 1st Lien F/R 03-31-2024	United States	Term Loans	USD 2,241,867	2,880	2,592
Cascades Inc. 5.13% 01-15-2025 Callable 2022	Canada	Corporate - Non Convertible	910,000	910	891
Cascades Inc. 5.13% 01-15-2026 Callable 2023 144A	Canada	Corporate - Non Convertible	USD 1,990,000	2,638	2,720
CCL Industries Inc. 3.86% 04-13-2028 Callable 2028	Canada	Corporate - Non Convertible	730,000	745	751
CCO Holdings LLC 4.00% 03-01-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 200,000	252	282
CCO Holdings LLC 5.88% 04-01-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 500,000	671	723
CCO Holdings LLC 5.38% 06-01-2029 Callable 2024 144A	United States	Corporate - Non Convertible	USD 1,020,000	1,440	1,483
CCS-CMGC Holdings Inc. Term Loan 1st Lien F/R 09-25-2025	United States	Term Loans	USD 938,125	1,204	1,061
Centene Corp. 4.25% 12-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 470,000	619	647
Centene Corp. 4.63% 12-15-2029 Callable 2024 144A	United States	Corporate - Non Convertible	USD 350,000	465	496
Centene Corp. 3.38% 02-15-2030 Callable 2028 144A	United States	Corporate - Non Convertible	USD 760,000	1,010	984
Centrais Eletricas Brasileiras SA 3.63% 02-04-2025	Brazil	Corporate - Non Convertible	USD 200,000	264	248
Centrais Eletricas Brasileiras SA 4.63% 02-04-2030	Brazil	Corporate - Non Convertible	USD 200,000	264	239
CenturyLink Inc. Term Loan B 1st Lien F/R 03-15-2027	United States	Term Loans	USD 917,700	1,207	1,215
CenturyLink Inc. 4.00% 02-15-2027 Callable 2023 144A	United States	Corporate - Non Convertible	USD 540,000	704	734
CEVA Logistics Finance BV Term Loan B 1st Lien F/R 08-03-2025	United States	Term Loans	USD 1,528,450	1,941	1,207
Charter Communications Operating LLC 4.50% 02-01-2024 Callable 2024	United States	Corporate - Non Convertible	USD 790,000	1,065	1,152
Charter Communications Operating LLC 5.05% 03-30-2029 Callable 2028	United States	Corporate - Non Convertible	USD 1,350,000	1,882	2,057
Chartwell Retirement Residences 4.21% 04-28-2025 Callable 2025	Canada	Corporate - Non Convertible	460,000	468	479
Chemtrade Logistics Income Fund 4.75% 05-31-2024 Conv. Callable 2022	Canada	Corporate - Convertible	1,690,000	1,690	980
Chloe Ox Parent LLC Term Loan 1st Lien F/R 12-19-2024	United States	Term Loans	USD 431,200	550	511
Choice Properties Real Estate Investment Trust 3.55% 01-10-2025 Callable 2024	Canada	Corporate - Non Convertible	320,000	329	321
Choice Properties Real Estate Investment Trust 4.18% 03-08-2028 Callable 2027	Canada	Corporate - Non Convertible	1,410,000	1,438	1,468
Choice Properties Real Estate Investment Trust 3.53% 06-11-2029 Callable 2029	Canada	Corporate - Non Convertible	1,010,000	1,019	1,020
Choice Properties Real Estate Investment Trust 2.98% 03-04-2030 Callable 2029	Canada	Corporate - Non Convertible	560,000	561	521
Citadel Securities LP Term Loan B 1st Lien F/R 02-27-2026	United States	Term Loans	USD 3,466,083	4,555	4,447
Civitas Solutions Inc. Term Loan 1st Lien F/R 02-05-2026	United States	Term Loans	USD 751,551	981	963
Clarity Telecom LLC Term Loan 1st Lien F/R 06-27-2026	United States	Term Loans	USD 977,550	1,266	1,171
Comber Wind Financial Corp. 5.13% 11-15-2030	Canada	Corporate - Non Convertible	3,726,672	3,726	4,177
Commercial Vehicle Group Inc. Term Loan B 1st Lien F/R 03-30-2023	United States	Term Loans	USD 825,646	1,078	1,018
Commonwealth of Bahamas 5.75% 01-16-2024	Bahamas	Foreign Governments	USD 332,000	462	436
Commonwealth of Bahamas 6.00% 11-21-2028 Callable 2028	Bahamas	Foreign Governments	USD 1,340,000	1,706	1,687
Commonwealth of Bahamas 6.95% 11-20-2029	Bahamas	Foreign Governments	USD 30,000	47	40
CommScope Technologies Finance LLC 8.25% 03-01-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 410,000	545	563
CommScope Technologies LLC 5.00% 03-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 900,000	1,036	1,101



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Concho Resources Inc. 3.75% 10-01-2027 Callable 2027	United States	Corporate - Non Convertible	USD 1,040,000	1,304	1,240
Concrete Pumping Merger Sub Inc. Term Loan 1st Lien F/R 11-14-2025	United States	Term Loans	USD 1,155,845	1,486	1,434
Connect Finco SARL Term Loan B 1st Lien F/R 09-23-2026	United Kingdom	Term Loans	USD 609,000	798	692
Connect Finco SARL 6.75% 10-01-2026	United Kingdom	Corporate - Non Convertible	USD 1,540,000	2,041	1,829
Constellium NV 6.63% 03-01-2025 Callable 2020 144A	Netherlands	Corporate - Non Convertible	USD 280,000	375	356
Constellium NV 4.25% 02-15-2026 Callable 2020	Netherlands	Corporate - Non Convertible	EUR 510,000	762	600
Constellium NV 5.88% 02-15-2026 Callable 2020 144A	Netherlands	Corporate - Non Convertible	USD 1,310,000	1,675	1,622
Cook & Boardman Group LLC Term Loan 1st Lien F/R 10-12-2025	United States	Term Loans	USD 630,285	813	746
CoolSys Inc. Delayed Draw Term Loan 1st Lien F/R 12-31-2049	United States	Term Loans	USD 219,636	286	302
CoolSys Inc. Term Loan 1st Lien 12-31-2049	United States	Term Loans	USD 1,287,138	1,674	1,769
Cordelio Amalco GP I 4.09% 06-30-2034	Canada	Corporate - Non Convertible	609,011	621	663
Cordelio Amalco GP I 4.09% 09-30-2034	Canada	Corporate - Non Convertible	590,955	602	652
CPPIB Capital Inc. 1.95% 09-30-2029	Canada	Corporate - Non Convertible	2,040,000	2,032	2,058
Crew Energy Inc. 6.50% 03-14-2024 Callable	Canada	Corporate - Non Convertible	1,120,000	1,121	677
Crown Subsea Communications Holding Inc. Term Loan 1st Lien F/R 11-02-2025	United States	Term Loans	USD 789,553	1,017	980
CU Inc. 3.96% 07-27-2045 Callable	Canada	Corporate - Non Convertible	200,000	229	219
CVR Partners LP 9.25% 06-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 813,000	1,048	975
CVS Health Corp. 3.70% 03-09-2023 Callable 2023	United States	Corporate - Non Convertible	USD 1,260,000	1,839	1,836
DaVita Healthcare Partners Inc. 5.00% 05-01-2025 Callable 2020	United States	Corporate - Non Convertible	USD 970,000	1,188	1,368
Dawn Acquisition LLC Term Loan 1st Lien F/R 10-25-2025	United States	Term Loans	USD 1,094,912	1,422	1,191
Diamond (BC) BV Term Loan 1st Lien F/R 09-06-2024	United States	Term Loans	USD 1,290,300	1,609	1,389
Diamond Sports Group LLC 6.63% 08-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 690,000	899	652
Diamondback Energy Inc. 3.25% 12-01-2026 Callable 2026	United States	Corporate - Non Convertible	USD 400,000	414	395
Diamondback Energy Inc. 3.50% 12-01-2029 Callable 2029	United States	Corporate - Non Convertible	USD 1,570,000	1,615	1,537
DMT Solutions Global Corp. Term Loan 1st Lien F/R 06-25-2024	United States	Term Loans	USD 447,125	577	553
Dollar General Corp. 4.13% 05-01-2028 Callable 2028	United States	Corporate - Non Convertible	USD 1,280,000	1,920	1,920
Drax Group PLC 6.63% 11-01-2025 Callable 2021 144A	United Kingdom	Corporate - Non Convertible	USD 1,950,000	2,539	2,756
Drive Chassis Holdco LLC Term Loan 2nd Lien F/R 04-12-2026	United States	Term Loans	USD 640,000	811	654
DRW Holdings LLC Term Loan 1st Lien F/R 11-26-2026	United States	Term Loans	USD 807,975	1,062	1,031
DynCorp International Inc. Term Loan B 1st Lien F/R 08-15-2025	United States	Term Loans	USD 2,486,250	3,211	3,014
Eagle Credit Card Trust 2.63% 10-17-2022	Canada	Corporate - Non Convertible	440,000	442	442
EagleTree-Carbide Acquisition Corp. Term Loan 1st Lien F/R 08-28-2024	United States	Term Loans	USD 2,588,380	3,342	3,047
Eastern Power LLC Term Loan B 1st Lien F/R 10-02-2023	United States	Term Loans	USD 778,576	1,020	963
Edgewell Personal Care Co. Term Loan B 1st Lien F/R 09-20-2026	United States	Term Loans	USD 553,000	727	776
eG Global Finance PLC 6.75% 02-07-2025 Callable 2021 144A	United Kingdom	Corporate - Non Convertible	USD 3,210,000	4,283	3,770
Electrical Components International Inc. Term Loan 1st Lien F/R 06-22-2025	United States	Term Loans	USD 1,709,550	2,238	1,844
Electrical Components International Inc. Term Loan 2nd Lien F/R 06-22-2026	United States	Term Loans	USD 300,000	374	362
Emera Inc. 2.90% 06-16-2023	Canada	Corporate - Non Convertible	940,000	921	946
Enbridge Gas Inc. 2.37% 08-09-2029 Callable 2029	Canada	Corporate - Non Convertible	360,000	361	354
Enbridge Gas Inc. 2.90% 04-01-2030 Callable 2030	Canada	Corporate - Non Convertible	200,000	200	203
Enbridge Gas Inc. 3.01% 08-09-2049 Callable 2049	Canada	Corporate - Non Convertible	330,000	332	306
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate - Non Convertible	14,060,000	13,928	11,624



**MACKENZIE**  
Investments



# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Enbridge Inc. F/R 04-12-2078 Callable 2028	Canada	Corporate - Non Convertible	3,170,000	3,203	3,089
ENC Holding Corp. Term Loan 1st Lien F/R 05-30-2025	United States	Term Loans	USD 639,275	823	753
ENMAX Corp. 3.33% 06-02-2025	Canada	Corporate - Non Convertible	250,000	250	255
Ensono LP Term Loan 1st Lien F/R 04-30-2025	United States	Term Loans	USD 955,342	1,215	1,143
EnTrans International LLC Term Loan 1st Lien F/R 10-29-2025	United States	Term Loans	USD 1,314,000	1,707	1,593
EPCOR Utilities Inc. 3.55% 11-27-2047 Callable 2047	Canada	Corporate - Non Convertible	860,000	891	880
EPCOR Utilities Inc. 3.11% 07-08-2049 Callable 2049	Canada	Corporate - Non Convertible	950,000	963	894
EPR Properties 4.95% 04-15-2028 Callable 2028	United States	Corporate - Non Convertible	USD 650,000	846	853
EPR Properties 3.75% 08-15-2029 Callable 2029	United States	Corporate - Non Convertible	USD 520,000	684	523
Exela Intermediate LLC Term Loan B 1st Lien F/R 07-12-2023	United States	Term Loans	USD 557,014	722	216
Exela Intermediate LLC 10.00% 07-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 821,000	1,024	323
FAGE International SA/FAGE USA Dairy Industry Inc. 5.63% 08-15-2026 Callable 2021 144A	Luxembourg	Corporate - Non Convertible	USD 780,000	928	912
Fair Isaac Corp. 4.00% 06-15-2028 Callable 2022 144A	United States	Corporate - Non Convertible	USD 700,000	935	960
Fairfax Financial Holdings Ltd. 5.84% 10-14-2022	Canada	Corporate - Non Convertible	22,650,000	23,595	24,135
Fairfax Financial Holdings Ltd. 4.50% 03-22-2023	Canada	Corporate - Non Convertible	560,000	557	574
Fairfax Financial Holdings Ltd. 4.95% 03-03-2025	Canada	Corporate - Non Convertible	250,000	272	261
Fairfax Financial Holdings Ltd. 8.30% 04-15-2026	Canada	Corporate - Non Convertible	USD 1,340,000	2,086	2,267
Fairfax Financial Holdings Ltd. 4.23% 06-14-2029 Callable 2029	Canada	Corporate - Non Convertible	360,000	362	344
Fédération des Caisses Desjardins du Québec 2.09% 01-17-2022	Canada	Corporate - Non Convertible	650,000	649	650
Fédération des Caisses Desjardins du Québec 2.42% 10-04-2024	Canada	Corporate - Non Convertible	90,000	90	89
First American Payment Systems LP Term Loan B 1st Lien F/R 02-21-2027	United States	Term Loans	USD 1,770,000	2,329	2,202
First Eagle Holdings Inc. Term Loan B 1st lien F/R 02-17-2027	United States	Term Loans	USD 2,112,132	2,758	2,538
First Quantum Minerals Ltd. 7.25% 04-01-2023 Callable 2020 144A	Zambia	Corporate - Non Convertible	USD 1,670,000	2,183	1,989
Forming Machining Industries Holdings LLC Term Loan 1st Lien F/R 10-03-2025	United States	Term Loans	USD 1,170,188	1,507	1,303
Fortified Trust 2.34% 01-23-2023	Canada	Corporate - Non Convertible	1,020,000	1,020	1,019
Fortified Trust 2.56% 03-23-2024	Canada	Corporate - Non Convertible	790,000	794	792
Foundation Building Materials LLC Term Loan B 1st Lien F/R 05-11-2025	United States	Term Loans	USD 809,750	1,032	1,007
Foxtrot Escrow Issuer LLC 12.25% 11-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 2,883,000	3,704	3,188
Frontera Generation Holdings LLC Term Loan B 1st Lien F/R 04-25-2025	United States	Term Loans	USD 1,375,276	1,757	1,444
Fusion Connect Inc. Term Loan B 1st Lien F/R 05-03-2023	United States	Term Loans	USD 119,893	110	64
FXI Holdings Inc. 7.88% 11-01-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,070,000	1,372	1,040
GBT III BV Term Loan 1st Lien F/R 02-27-2027	Netherlands	Term Loans	USD 1,366,062	1,790	1,685
GBT US III LLC Term Loan Delayed Draw 1st Lien F/R 02-27-2027	United States	Term Loans	USD 1,143,938	1,499	1,411
GEMS MENASA (Cayman) Ltd. Term Loan B 1st Lien F/R 07-30-2026	United Arab Emirates	Term Loans	USD 334,966	436	394
GFL Environmental Inc. Term Loan B 1st Lien F/R 05-31-2025	Canada	Term Loans	USD 1,430,694	1,862	1,966
GFL Environmental Inc. 5.63% 05-01-2022 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 872,000	1,152	1,243
GFL Environmental Inc. 7.00% 06-01-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 1,704,000	2,189	2,364
GFL Environmental Inc. 5.13% 12-15-2026 Callable 2022 144A	Canada	Corporate - Non Convertible	USD 820,000	1,084	1,124
Gibson Energy Inc. 5.25% 07-15-2024 Callable 2020 REGS	Canada	Corporate - Non Convertible	6,510,000	6,583	6,564
Gibson Energy Inc. 3.60% 09-17-2029 Callable 2029	Canada	Corporate - Non Convertible	620,000	618	549
GLOBALFOUNDRIES Inc. Term Loan B 1st Lien F/R 05-24-2026	United States	Term Loans	USD 3,334,800	4,432	4,043



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
The Goldman Sachs Group Inc. 2.43% 04-26-2023 Callable	United States	Corporate - Non Convertible	2,210,000	2,211	2,183
Government of Canada 1.50% 09-01-2024	Canada	Federal Government	700,000	729	727
Government of Canada 1.25% 06-01-2030	Canada	Federal Government	26,740,000	26,864	27,972
Government of Canada 2.75% 12-01-2048	Canada	Federal Government	20,460,000	26,150	27,434
Government of China 3.13% 11-21-2029	China	Foreign Governments	CNY 54,000,000	10,704	11,251
Government of Japan 0.10% 06-01-2020	Japan	Foreign Governments	JPY 729,500,000	9,581	9,563
Gray Escrow Inc. 7.00% 05-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 230,000	302	323
Greater Toronto Airports Authority 2.73% 04-03-2029 Callable 2029	Canada	Corporate - Non Convertible	510,000	525	519
Greater Toronto Airports Authority 2.75% 10-17-2039	Canada	Corporate - Non Convertible	490,000	489	438
Greenhill & Co. Inc. Term Loan B 1st Lien F/R 04-05-2024	United States	Term Loans	USD 588,000	783	734
H&R Real Estate Investment Trust 2.92% 05-06-2022	Canada	Corporate - Non Convertible	2,580,000	2,571	2,578
H&R Real Estate Investment Trust 3.42% 01-23-2023 Callable 2022	Canada	Corporate - Non Convertible	720,000	728	727
Hadrian Merger Sub Inc. 8.50% 05-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 1,626,000	2,086	1,717
Halo Buyer Inc. Term Loan 1st Lien F/R 06-28-2025	United States	Term Loans	USD 746,718	974	863
HCA Healthcare Inc. 3.50% 09-01-2030 Callable 2030	United States	Corporate - Non Convertible	USD 4,180,000	5,557	5,397
HCA Inc. 5.88% 02-01-2029 Callable 2028	United States	Corporate - Non Convertible	USD 300,000	448	448
Heathrow Funding Ltd. 3.25% 05-21-2025	United Kingdom	Corporate - Non Convertible	4,320,000	4,515	4,425
Heathrow Funding Ltd. 3.40% 03-08-2028	United Kingdom	Corporate - Non Convertible	1,280,000	1,295	1,290
Heathrow Funding Ltd. 3.79% 09-04-2030 Callable 2030	United Kingdom	Corporate - Non Convertible	1,010,000	1,031	1,038
Heritage Power LLC Term Loan B 1st Lien F/R 07-08-2026	United States	Term Loans	USD 1,880,550	2,392	2,187
Horizon Therapeutics PLC 5.50% 08-01-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 500,000	653	707
HSBC Bank Canada 2.25% 09-15-2022	Canada	Corporate - Non Convertible	490,000	490	487
Hydro One Inc. 2.54% 04-05-2024 Callable 2024	Canada	Corporate - Non Convertible	760,000	764	769
Hydro One Inc. 2.16% 02-28-2030	Canada	Corporate - Non Convertible	430,000	430	415
Hydro One Inc. 3.72% 11-18-2047	Canada	Corporate - Non Convertible	1,510,000	1,626	1,584
Hydro One Inc. 3.63% 06-25-2049 Callable 2048	Canada	Corporate - Non Convertible	80,000	93	83
Hyster-Yale Group Inc. Term Loan B 1st Lien F/R 05-30-2023	United States	Term Loans	USD 912,712	1,231	1,081
II-VI Inc. Term Loan B 1st Lien F/R 05-08-2026	United States	Term Loans	USD 2,248,700	2,965	2,658
INEOS Enterprises Holdings US Finco LLC Term Loan B 1st Lien F/R 09-03-2026	United States	Term Loans	USD 1,479,706	1,927	1,874
Innovative Water Care Global Corp. Term Loan 1st Lien F/R 02-27-2026	United States	Term Loans	USD 1,772,100	2,214	1,374
Institutional Shareholder Services Inc. Term Loan 1st Lien F/R 02-26-2026	United States	Term Loans	USD 1,452,330	1,913	1,710
Integro Ltd. United States Term Loan B1 1st Lien F/R 10-31-2022	United States	Term Loans	USD 486,819	610	676
Intel Corp. 2.45% 11-15-2029 Callable 2029	United States	Corporate - Non Convertible	USD 537,000	728	774
Intelsat Jackson Holdings SA 8.50% 10-15-2024 Callable 2020 144A	Luxembourg	Corporate - Non Convertible	USD 290,000	384	259
Inter Pipeline Ltd. F/R 03-26-2079 Callable 2029	Canada	Corporate - Non Convertible	5,440,000	5,522	4,845
Inter Pipeline Ltd. F/R 11-19-2079 Callable 2029	Canada	Corporate - Non Convertible	1,610,000	1,610	1,352
Interior Logic Group Holdings IV LLC Term Loan B 1st Lien F/R 05-21-2025	United States	Term Loans	USD 778,150	997	954
iQor US Inc. Term Loan 2nd Lien F/R 04-01-2022	United States	Term Loans	USD 2,010,000	2,164	798
Iris Merger Sub 2019 Inc. 9.38% 02-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 690,000	916	951
Iron Mountain Canada Operations ULC 5.38% 09-15-2023 Callable 2020	United States	Corporate - Non Convertible	830,000	870	815
Isagenix International LLC Term Loan 1st Lien F/R 04-26-2025	United States	Term Loans	USD 2,233,296	2,824	1,173
Ivanhoe Cambridge II Inc. 2.91% 06-27-2023 Callable 2023	Canada	Corporate - Non Convertible	540,000	545	552



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Ivanhoe Cambridge II Inc. 2.30% 12-12-2024 Callable 2024	Canada	Corporate - Non Convertible	60,000	60	60
Jane Street Group LLC Term Loan B 1st Lien F/R 01-31-2025	United States	Term Loans	USD 2,250,624	2,981	2,879
JBS Investments II GmbH 5.75% 01-15-2028 Callable 2022	United States	Corporate - Non Convertible	USD 100,000	121	137
Jefferies Finance LLC Term Loan 1st Lien F/R 05-21-2026	United States	Term Loans	USD 645,125	864	763
JPMorgan Chase & Co. 3.19% 03-05-2021	United States	Corporate - Non Convertible	380,000	385	383
Keane Group Holdings LLC Term Loan B 1st Lien F/R 05-18-2025	United States	Term Loans	USD 1,990,218	2,589	1,880
Kestrel Acquisition LLC Term Loan B 1st Lien F/R 05-02-2025	United States	Term Loans	USD 1,139,725	1,490	966
Kestrel Bidco Inc. Term Loan 1st Lien F/R 08-07-2026	Canada	Term Loans	USD 2,254,350	2,948	2,500
Keyera Corp. F/R 06-13-2079 Callable 2029	Canada	Corporate - Non Convertible	4,660,000	4,678	4,145
Keystone Peer Review Organization Holdings Inc. Term Loan 1st Lien F/R 05-01-2024	United States	Term Loans	USD 809,250	1,083	941
The Kroger Co. 3.95% 01-15-2050 Callable 2049	United States	Corporate - Non Convertible	USD 630,000	897	924
Kruger Products LP 6.00% 04-24-2025 Callable 2021	Canada	Corporate - Non Convertible	1,911,000	1,911	1,772
L&W Inc. Term Loan 1st Lien F/R 05-17-2025	United States	Term Loans	USD 1,025,608	1,314	1,186
LABL Escrow Issuer LLC 6.75% 07-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 1,258,000	1,684	1,673
LABL Escrow Issuer LLC 10.50% 07-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 2,174,000	2,909	2,863
Lamb Weston Holdings Inc. 4.63% 11-01-2024 Callable 2021 144A	United States	Corporate - Non Convertible	USD 2,030,000	2,649	2,832
Lamb Weston Holdings Inc. 4.88% 11-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 1,610,000	2,055	2,315
Liberty Utilities (Canada) LP 3.32% 02-14-2050 Callable 2049	Canada	Corporate - Non Convertible	290,000	290	259
LifeMiles Ltd. Term Loan B 1st Lien F/R 08-18-2022	Colombia	Term Loans	USD 1,502,213	1,926	1,722
LifeScan Global Corp. Term Loan 1st Lien F/R 06-19-2024	United States	Term Loans	USD 2,019,621	2,564	2,288
LifeScan Global Corp. Term Loan 2nd Lien F/R 06-19-2025	United States	Term Loans	USD 750,000	936	711
Lions Gate Capital Holdings LLC 6.38% 02-01-2024 Callable 2021 144A	United States	Corporate - Non Convertible	USD 150,000	200	187
Live Nation Entertainment Inc. 4.75% 10-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 350,000	467	450
Loblaw Companies Ltd. 4.49% 12-11-2028 Callable 2028	Canada	Corporate - Non Convertible	290,000	318	316
Manulife Bank of Canada 2.84% 01-12-2023	Canada	Corporate - Non Convertible	1,460,000	1,458	1,477
Manulife Bank of Canada 2.38% 11-19-2024	Canada	Corporate - Non Convertible	840,000	845	833
Manulife Financial Corp. F/R 05-09-2028 Callable 2023	Canada	Corporate - Non Convertible	580,000	585	583
Manulife Financial Corp. F/R 08-20-2029 Callable 2024	Canada	Corporate - Non Convertible	1,790,000	1,802	1,772
Mattel Inc. 3.15% 03-15-2023 Callable 2022	United States	Corporate - Non Convertible	USD 1,190,000	1,548	1,566
Matterhorn Merger Sub LLC 8.50% 06-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 1,683,000	2,149	1,920
McDonald's Corp. 3.13% 03-04-2025 Callable 2025	United States	Corporate - Non Convertible	1,930,000	1,943	1,959
MEG Energy Corp. 7.00% 03-31-2024 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 732,000	831	477
MEG Energy Corp. 7.13% 02-01-2027 Callable 2023 144A	Canada	Corporate - Non Convertible	USD 1,010,000	1,326	712
Meredith Corp. Term Loan B 1st Lien F/R 01-31-2025	United States	Term Loans	USD 1,488,139	1,913	1,878
Meredith Corp. 6.88% 02-01-2026 Callable 2021	United States	Corporate - Non Convertible	USD 1,760,000	2,271	2,183
Metronet Systems Holding LLC Term Loan 1st Lien F/R 12-31-2049	United States	Term Loans	USD 1,293,500	1,700	1,742
Milk Specialties Co. Term Loan 1st Lien F/R 08-16-2023	United States	Term Loans	USD 628,760	812	647
Millar Western Forest Products Ltd. 9.50% 06-20-2023 Callable 2020	Canada	Corporate - Non Convertible	990,000	990	705
Minotaur Acquisition Inc. Term Loan 1st Lien F/R 02-27-2026	United States	Term Loans	USD 1,702,130	2,194	2,036
Morgan Stanley 3.00% 02-07-2024	United States	Corporate - Non Convertible	2,210,000	2,222	2,216
MSCI Inc. 3.63% 09-01-2030 Callable 2025 144A	United States	Corporate - Non Convertible	USD 210,000	289	282



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Multi-Color Corp. Term Loan B 1st Lien F/R 06-17-2026	United States	Term Loans	USD 1,432,800	1,898	1,713
MyNEXUS Inc. Term Loan 1st Lien F/R 06-19-2024	United States	Term Loans	USD 1,230,250	1,587	1,656
Natel Engineering Co. Inc. Term Loan B 1st Lien F/R 04-29-2026	United States	Term Loans	USD 1,012,350	1,352	1,092
National Australia Bank Ltd. F/R 06-12-2030 Callable 2025	Australia	Corporate - Non Convertible	1,580,000	1,580	1,526
National Bank of Canada 2.58% 02-03-2025	Canada	Corporate - Non Convertible	1,160,000	1,160	1,150
Neenah Foundry Co. Term Loan B 1st Lien F/R 12-08-2022	United States	Term Loans	USD 914,570	1,168	1,128
New Red Finance Inc. 5.00% 10-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 1,024,000	1,258	1,395
Nexstar Escrow Inc. 5.63% 07-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 2,169,000	2,884	2,997
Nine Energy Service Inc. 8.75% 11-01-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 700,000	909	248
Norbord Inc. 5.75% 07-15-2027 Callable 2022 144A	Canada	Corporate - Non Convertible	USD 910,000	1,210	1,191
North Battleford Power LP 4.96% 12-31-2032	Canada	Corporate - Non Convertible	1,679,102	1,714	1,954
North West Redwater Partnership 2.80% 06-01-2027 Callable 2027	Canada	Corporate - Non Convertible	1,170,000	1,170	1,153
Nouvelle Autoroute 30 Financement Inc. 4.11% 03-31-2042	Canada	Corporate - Non Convertible	759,519	791	832
Nova Scotia Power Inc. 3.57% 04-05-2049 Callable 2048	Canada	Corporate - Non Convertible	470,000	484	466
Nufarm Australia Ltd. 5.75% 04-30-2026 Callable 2021 144A	Australia	Corporate - Non Convertible	USD 1,720,000	2,167	2,100
Numericable-SFR 7.38% 05-01-2026 Callable 2021 144A	France	Corporate - Non Convertible	USD 1,580,000	2,035	2,232
NuVista Energy Ltd. 6.50% 03-02-2023 Callable 2020	Canada	Corporate - Non Convertible	1,730,000	1,715	1,117
Occidental Petroleum Corp. 4.10% 02-01-2021 Callable 2020	United States	Corporate - Non Convertible	USD 520,000	700	623
Occidental Petroleum Corp. 4.40% 04-15-2046 Callable 2045	United States	Corporate - Non Convertible	USD 1,620,000	1,873	1,023
Office Depot Inc. Term Loan B 1st Lien F/R 11-08-2022	United States	Term Loans	USD 1,527,239	1,939	2,091
OMERS Finance Trust 2.60% 05-14-2029	Canada	Corporate - Non Convertible	1,090,000	1,103	1,144
OMERS Realty Corp. 3.63% 06-05-2030 Callable 2030	Canada	Corporate - Non Convertible	1,340,000	1,381	1,450
Ontario Power Generation Inc. 3.32% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	1,070,000	1,085	1,109
Ontario Power Generation Inc. 2.98% 09-13-2029	Canada	Corporate - Non Convertible	540,000	540	541
Ontario Power Generation Inc. 3.84% 06-22-2048 Callable 2047	Canada	Corporate - Non Convertible	350,000	408	347
Ontario Power Generation Inc. 4.25% 01-18-2049 Callable 2048	Canada	Corporate - Non Convertible	535,000	583	569
Outfront Media Capital LLC 4.63% 03-15-2030 Callable 2025 144A	United States	Corporate - Non Convertible	USD 730,000	966	922
Owens & Minor Inc. Term Loan B 1st Lien F/R 05-01-2025	United States	Term Loans	USD 790,350	983	914
Panther BF Aggregator 2 LP 6.25% 05-15-2026 144A	United States	Corporate - Non Convertible	USD 380,000	512	505
Panther BF Aggregator 2 LP 8.50% 05-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 1,790,000	2,407	2,206
Parkland Fuel Corp. 5.75% 09-16-2024 Callable 2020	Canada	Corporate - Non Convertible	2,165,000	2,157	2,066
Parkland Fuel Corp. 6.00% 04-01-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 2,098,000	2,742	2,757
Parkland Fuel Corp. 5.88% 07-15-2027 Callable 2022 144A	Canada	Corporate - Non Convertible	USD 203,000	268	269
Parsley Energy LLC/Parsley Finance Corp. 5.38% 01-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 710,000	801	776
Parsley Energy LLC 4.13% 02-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 360,000	433	348
The Pasha Group Term Loan B 1st Lien F/R 12-13-2022	United States	Term Loans	USD 1,054,393	1,317	1,264
Paypal Holdings Inc. 2.40% 10-01-2024 Callable 2024	United States	Corporate - Non Convertible	USD 540,000	716	755
PayPal Holdings Inc. 2.65% 10-01-2026	United States	Corporate - Non Convertible	USD 560,000	741	775
Pembina Pipeline Corp. 4.02% 03-27-2028 Callable 2027	Canada	Corporate - Non Convertible	400,000	425	391
Pembina Pipeline Corp. 3.62% 04-03-2029 Callable 2029	Canada	Corporate - Non Convertible	900,000	919	825
Pembina Pipeline Corp. 3.31% 02-01-2030 Callable 2029	Canada	Corporate - Non Convertible	340,000	340	304
Petroleos De Venezuela SA 6.00% 05-16-2024	Venezuela	Corporate - Non Convertible	USD 2,230,000	697	252
Petroleos Mexicanos 6.50% 03-13-2027	Mexico	Corporate - Non Convertible	USD 1,370,000	1,914	1,436
Pisces Midco Inc. 8.00% 04-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 1,678,000	2,131	2,050
PLH Group Inc. Term Loan 1st Lien F/R 08-06-2023	United States	Term Loans	USD 793,353	1,000	923



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Pluto Acquisition I Inc. Term Loan 1st Lien F/R 06-18-2026	United States	Term Loans	USD 1,458,975	1,932	1,759
Polymer Process Holdings Inc. Term Loan 1st Lien F/R 04-29-2026	United States	Term Loans	USD 1,568,150	2,058	2,008
Project Leopard Holdings Inc. Term Loan 1st Lien F/R 07-07-2023	United States	Term Loans	USD 624,802	806	777
Province of Newfoundland 3.00% 06-02-2026	Canada	Provincial Governments	4,110,000	4,121	4,344
Province of Newfoundland 3.70% 10-17-2048	Canada	Provincial Governments	1,500,000	1,710	1,640
Province of Ontario 2.05% 06-02-2030	Canada	Provincial Governments	3,990,000	4,038	4,031
Province of Ontario 2.90% 06-02-2049	Canada	Provincial Governments	5,860,000	6,628	6,270
Province of Ontario 2.65% 12-02-2050	Canada	Provincial Governments	1,590,000	1,627	1,630
Province of Quebec 2.30% 09-01-2029	Canada	Provincial Governments	1,010,000	1,041	1,051
Province of Quebec 1.90% 09-01-2030	Canada	Provincial Governments	330,000	330	329
Province of Quebec 3.50% 12-01-2048	Canada	Provincial Governments	6,520,000	8,229	7,787
PS HoldCo LLC Term Loan 1st Lien F/R 03-02-2025	United States	Term Loans	USD 876,650	1,125	1,143
PSC Industrial Outsourcing LP Term Loan 2nd Lien F/R 10-05-2025	United States	Term Loans	USD 650,000	801	880
PSC Industrial Outsourcing LP Term Loan B 1st Lien F/R 10-05-2024	United States	Term Loans	USD 2,404,650	3,000	3,226
PSP Capital Inc. 2.05% 01-15-2030	Canada	Federal Government	2,440,000	2,447	2,474
Quad/Graphics Inc. 7.00% 05-01-2022	United States	Corporate - Non Convertible	USD 1,250,000	1,372	1,482
Quebecor Media Inc. 6.63% 01-15-2023 144A	Canada	Corporate - Non Convertible	1,928,000	1,946	1,970
R.R. Donnelley & Sons Co. Term Loan B 1st Lien F/R 01-04-2024	United States	Term Loans	USD 1,338,949	1,775	1,685
Rackspace Hosting Inc. 8.63% 11-15-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,573,000	2,030	1,996
Rayonier AM Products Inc. 5.50% 06-01-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,290,000	1,405	830
Reliance Intermediate Holdings LP 6.50% 04-01-2023 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 1,607,000	2,156	2,299
Renfro Corp. Term Loan B 1st Lien F/R 03-31-2021	United States	Term Loans	USD 1,738,929	1,923	1,164
Research Now Group Inc. Term Loan 1st Lien F/R 12-20-2024	United States	Term Loans	USD 35,116	47	45
Research Now Group Inc. Term Loan 2nd Lien F/R 12-20-2025	United States	Term Loans	USD 230,000	275	252
Resolute Investment Managers Inc. Term Loan 2nd Lien F/R 04-30-2023	United States	Term Loans	USD 560,000	701	691
Rite Aid Corp. 6.13% 04-01-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 336,000	394	413
Rite Aid Corp. 7.50% 07-01-2025 Callable 2022	United States	Corporate - Non Convertible	USD 194,000	228	266
Rite Aid Corp. 7.70% 02-15-2027	United States	Corporate - Non Convertible	USD 2,110,000	2,464	2,315
Rogers Communications Inc. 3.65% 03-31-2027	Canada	Corporate - Non Convertible	460,000	458	477
Rogers Communications Inc. 3.25% 05-01-2029 Callable 2029	Canada	Corporate - Non Convertible	1,100,000	1,116	1,094
Royal Bank of Canada 3.30% 09-26-2023	Canada	Corporate - Non Convertible	210,000	212	215
Royal Bank of Canada 2.35% 07-02-2024	Canada	Corporate - Non Convertible	920,000	921	908
Royal Bank of Canada 2.61% 11-01-2024	Canada	Corporate - Non Convertible	300,000	300	299
Royal Bank of Canada F/R 07-25-2029	Canada	Corporate - Non Convertible	340,000	341	330
Royal Bank of Canada F/R 12-23-2029 Callable 2024	Canada	Corporate - Non Convertible	380,000	380	368
Russel Metals Inc. 6.00% 03-16-2026 Callable 2021	Canada	Corporate - Non Convertible	1,230,000	1,230	1,142
Sabre Industries Inc. Term Loan B 1st Lien F/R 04-09-2026	United States	Term Loans	USD 446,625	591	577
Saputo Inc. 2.88% 11-19-2024 Callable 2024	Canada	Corporate - Non Convertible	320,000	320	315
Scotts Miracle-Gro Co. 4.50% 10-15-2029	United States	Corporate - Non Convertible	USD 830,000	1,105	1,110
Shaw Communications Inc. 4.40% 11-02-2028 Callable 2028	Canada	Corporate - Non Convertible	1,320,000	1,365	1,401
Shields Health Solutions Holdings LLC Term Loan 1st Lien F/R 08-13-2026	United States	Term Loans	USD 1,124,350	1,481	1,387
Sienna Senior Living Inc. 3.11% 11-04-2024	Canada	Corporate - Non Convertible	240,000	240	239
Sigma Bidco BV Term Loan B 1st Lien F/R 03-07-2025	Netherlands	Term Loans	EUR 1,603,000	2,539	2,293



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Silgan Holdings Inc. 4.13% 02-01-2028 Callable 2022 144A	United States	Corporate - Non Convertible	USD 1,060,000	1,394	1,405
Sinclair Television Group Inc. Term Loan B2 1st Lien F/R 07-18-2026	United States	Term Loans	USD 975,100	1,265	1,313
Sinclair Television Group Inc. 5.50% 03-01-2030 Callable 2024 144A	United States	Corporate - Non Convertible	USD 1,090,000	1,446	1,283
SIRVA Worldwide Inc. Term Loan 1st Lien F/R 07-31-2025	United States	Term Loans	USD 3,348	4	4
SmartCentres Real Estate Investment Trust 3.53% 12-20-2029 Callable 2029	Canada	Corporate - Non Convertible	1,480,000	1,508	1,438
SMI Acquisition Inc. Term Loan 1st Lien F/R 10-27-2024	United States	Term Loans	USD 830,875	1,063	732
Source Energy Services Canada LP 10.50% 12-15-2021 Callable 2020 144A	Canada	Corporate - Non Convertible	2,793,000	2,874	1,071
Sprint Capital Corp. 6.88% 11-15-2028	United States	Corporate - Non Convertible	USD 410,000	589	662
Sprint Corp. 7.875% 09-15-2023 144A	United States	Corporate - Non Convertible	USD 270,000	406	402
Sprint Corp. 7.88% 09-15-2023	United States	Corporate - Non Convertible	USD 630,000	864	979
Sprint Corp. 7.13% 06-15-2024	United States	Corporate - Non Convertible	USD 560,000	742	867
SRS Distribution Inc. Term Loan B 1st Lien F/R 05-24-2025	United States	Term Loans	USD 1,077,300	1,405	1,337
SS&C Technologies Inc. Term Loan B5 1st Lien F/R 04-16-2025	United States	Term Loans	USD 955,298	1,248	1,274
St. Joseph Energy Center LLC Term Loan 1st Lien F/R 04-06-2025	United States	Term Loans	USD 1,332,356	1,699	1,662
Star West Generation LLC Term Loan B 1st Lien F/R 03-13-2020	United States	Term Loans	USD 433,951	487	590
Starfruit US Holdco LLC 8.00% 10-01-2026 Callable 2021 144A	Netherlands	Corporate - Non Convertible	USD 670,000	844	897
Sun Life Financial Inc. F/R 11-23-2027 Callable 2022	Canada	Corporate - Non Convertible	810,000	813	808
Sun Life Financial Inc. F/R 09-19-2028 Callable 2023	Canada	Corporate - Non Convertible	1,270,000	1,283	1,268
Sun Life Financial Inc. F/R 08-13-2029 Callable 2024	Canada	Corporate - Non Convertible	610,000	610	586
Suncor Energy Inc. 3.10% 05-24-2029 Callable 2029	Canada	Corporate - Non Convertible	770,000	778	670
Superior Plus LP 5.25% 02-27-2024 Callable 2020	Canada	Corporate - Non Convertible	4,040,000	4,071	3,804
Superior Plus LP 7.00% 07-15-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 2,052,000	2,724	2,840
Sysco Canada Inc. 3.65% 04-25-2025 Callable 2025	United States	Corporate - Non Convertible	1,040,000	1,058	950
Talen Energy Supply LLC 7.25% 05-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 540,000	691	680
Talen Energy Supply LLC 6.63% 01-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 640,000	836	771
Target Corp. 2.25% 04-15-2025 Callable 2025	United States	Corporate - Non Convertible	USD 300,000	420	425
TELUS Corp. 3.35% 04-01-2024 Callable	Canada	Corporate - Non Convertible	210,000	217	213
TELUS Corp. 2.75% 07-08-2026	Canada	Corporate - Non Convertible	840,000	839	825
TELUS Corp. 3.30% 05-02-2029 Callable 2029	Canada	Corporate - Non Convertible	1,000,000	1,010	988
TELUS Corp. 3.15% 02-19-2030 Callable 2029	Canada	Corporate - Non Convertible	1,510,000	1,528	1,470
TELUS Corp. 4.70% 03-06-2048 Callable 2047	Canada	Corporate - Non Convertible	480,000	470	496
Teneo Holdings LLC Term Loan B 1st Lien F/R 07-12-2025	United States	Term Loans	USD 1,880,550	2,358	2,174
Tenet Healthcare Corp. 4.88% 01-01-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 1,120,000	1,536	1,515
Tensar International Corp. Term Loan 2nd Lien F/R 07-09-2022	United States	Term Loans	USD 927,866	981	1,122
TerraForm Power Operating LLC 5.00% 01-31-2028 Callable 2027 144A	United States	Corporate - Non Convertible	USD 1,960,000	2,516	2,902
TerraForm Power Operating LLC 4.75% 01-15-2030 Callable 2025 144A	United States	Corporate - Non Convertible	USD 340,000	452	466
Terrier Media Buyer Inc. Term Loan B 1st Lien F/R 12-12-2026	United States	Term Loans	USD 1,965,075	2,577	2,514
Teva Pharmaceutical Industries Ltd. 2.80% 07-21-2023	Israel	Corporate - Non Convertible	USD 3,110,000	3,577	4,048
Titan Sub LLC Term Loan B 1st Lien F/R 09-19-2026	United States	Term Loans	USD 1,256,850	1,650	1,511
TMX Group Ltd. 2.30% 12-11-2024 Callable 2024	Canada	Corporate - Non Convertible	670,000	683	665
TMX Group Ltd. 3.78% 06-05-2028 Callable 2028	Canada	Corporate - Non Convertible	500,000	514	504
The Toronto-Dominion Bank 3.01% 05-30-2023	Canada	Corporate - Non Convertible	910,000	919	934



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
The Toronto-Dominion Bank 1.91% 07-18-2023 DPNT	Canada	Corporate - Non Convertible	4,350,000	4,345	4,317
The Toronto-Dominion Bank 2.85% 03-08-2024	Canada	Corporate - Non Convertible	1,140,000	1,152	1,149
The Toronto-Dominion Bank 1.94% 03-13-2025	Canada	Corporate - Non Convertible	1,160,000	1,160	1,119
The Toronto-Dominion Bank F/R 07-25-2029 Callable 2024	Canada	Corporate - Non Convertible	520,000	534	514
Toyota Credit Canada Inc. 2.11% 02-26-2025	Canada	Corporate - Non Convertible	30,000	30	29
TransCanada PipeLines Ltd. 3.69% 07-19-2023	Canada	Corporate - Non Convertible	250,000	257	255
TransCanada Pipelines Ltd. 3.00% 09-18-2029 Callable 2029	Canada	Corporate - Non Convertible	1,200,000	1,207	1,140
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	6,390,000	6,146	5,088
Transurban Finance Co. Pty. Ltd. 4.56% 11-14-2028 Callable 2028	Australia	Corporate - Non Convertible	1,700,000	1,754	1,875
Trulieve Cannabis Corp. 9.75% 06-18-2024	United States	Corporate - Non Convertible	USD 2,630,000	3,436	2,738
Uber Technologies Inc. 8.00% 11-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 3,470,000	4,506	4,896
Ultra Clean Holdings Inc. Term Loan B 1st Lien F/R 08-27-2025	United States	Term Loans	USD 882,309	1,133	1,073
Union Gas Ltd. 3.59% 11-22-2047 Callable 2047	Canada	Corporate - Non Convertible	920,000	947	961
United States Treasury 0.50% 04-15-2024 Inflation Indexed	United States	Foreign Governments	USD 11,020,000	15,174	16,120
United States Treasury 0.75% 07-15-2028 Inflation Indexed	United States	Foreign Governments	USD 21,280,000	30,199	32,974
United States Treasury 1.00% 02-15-2049 Inflation Indexed	United States	Foreign Governments	USD 8,170,000	13,238	14,654
Vancouver Airport Authority 3.66% 11-23-2048 Callable 2048	Canada	Corporate - Non Convertible	880,000	926	905
Vancouver Airport Authority 2.87% 10-18-2049	Canada	Corporate - Non Convertible	490,000	490	434
Ventas Canada Finance Ltd. 2.55% 03-15-2023 Callable 2023	United States	Corporate - Non Convertible	1,650,000	1,649	1,614
Ventas Inc. 2.80% 04-12-2024 Callable 2024	United States	Corporate - Non Convertible	550,000	552	554
VeriFone Systems Inc. Term Loan 1st Lien F/R 08-09-2025	United States	Term Loans	USD 1,553,700	2,030	1,435
Vertex Aerospace Services Corp. Term Loan B 1st Lien F/R 06-14-2025	United States	Term Loans	USD 625,922	816	767
Vesta Energy Corp. 8.13% 07-24-2023 Callable 2020 144A	Canada	Corporate - Non Convertible	1,470,000	1,466	594
VFH Parent LLC Term Loan 1st Lien F/R 03-01-2026	United States	Term Loans	USD 979,241	1,297	1,276
Videotron Ltd. 4.50% 01-15-2030 Callable 2024	Canada	Corporate - Non Convertible	900,000	900	800
Vidéotron Ltée 5.63% 06-15-2025 Callable 2025	Canada	Corporate - Non Convertible	5,997,000	6,008	5,780
Vidéotron Ltée 5.75% 01-15-2026 Callable 2020	Canada	Corporate - Non Convertible	900,000	900	867
Vodafone Group PLC 3.75% 01-16-2024	United Kingdom	Corporate - Non Convertible	USD 410,000	534	602
VRX Escrow Corp. 6.13% 04-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 240,000	304	336
Vungle Inc. Term Loan B 1st Lien F/R 09-30-2026	United States	Term Loans	USD 1,771,100	2,313	2,228
VVC Holding Corp. Term Loan B 1st Lien F/R 02-07-2026	United States	Term Loans	USD 829,715	1,081	1,100
Vyair Medical Inc. Term Loan B 1st Lien F/R 04-06-2025	United States	Term Loans	USD 844,950	1,022	861
W&T Offshore Inc. 9.75% 11-01-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 630,000	771	202
Walgreen Co. 4.40% 09-15-2042	United States	Corporate - Non Convertible	USD 1,010,000	1,227	1,411
Walgreens Boots Alliance Inc. 4.80% 11-18-2044 Callable 2044	United States	Corporate - Non Convertible	USD 370,000	475	526
Walmart Inc. 3.70% 06-26-2028 Callable 2028	United States	Corporate - Non Convertible	USD 1,010,000	1,563	1,592
Walmart Inc. 2.38% 09-24-2029 Callable 2029	United States	Corporate - Non Convertible	USD 1,890,000	2,727	2,773
Walmart Inc. 3.63% 12-15-2047 Callable 2047	United States	Corporate - Non Convertible	USD 630,000	1,024	1,038
Waste Management of Canada Corp. 2.60% 09-23-2026 Callable 2026	Canada	Corporate - Non Convertible	1,080,000	1,078	1,076
Wells Fargo & Co. 3.19% 02-08-2024 Callable 2024	United States	Corporate - Non Convertible	1,440,000	1,453	1,452
Wells Fargo & Co. 2.98% 05-19-2026	United States	Corporate - Non Convertible	1,000,000	1,000	990
Wells Fargo & Co. 2.49% 02-18-2027	United States	Corporate - Non Convertible	1,400,000	1,400	1,314
Welltower Inc. 4.25% 04-15-2028 Callable 2028	United States	Corporate - Non Convertible	USD 670,000	906	992
Welltower Inc. 4.13% 03-15-2029 Callable 2028	United States	Corporate - Non Convertible	USD 650,000	879	959
Wildbrain Ltd. 5.88% 09-30-2024 Conv.	Canada	Corporate - Convertible	260,000	243	169



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Williams Scotsman International Inc. 7.88% 12-15-2022					
Callable 2020 144A	United States	Corporate - Non Convertible	USD 626,000	806	860
Wolverine World Wide Inc. 8.50% 11-15-2024 Callable 2021 144A	United States	Corporate - Non Convertible	USD 1,230,000	1,614	1,409
WPX Energy Inc. 5.75% 06-01-2026 Callable 2021	United States	Corporate - Non Convertible	USD 500,000	611	408
WPX Energy Inc. 4.50% 01-15-2030 Callable 2025	United States	Corporate - Non Convertible	USD 1,188,000	1,376	896
Yak Access LLC Term Loan B 1st Lien F/R 06-26-2025	United States	Term Loans	USD 1,304,423	1,661	1,361
YPF SA 6.95% 07-21-2027	Argentina	Corporate - Non Convertible	USD 550,000	580	403
Ziggo BV 4.88% 01-15-2030 Callable 2024 144A	Netherlands	Corporate - Non Convertible	USD 850,000	1,117	1,151
Zotec Partners LLC Term Loan Term B 1st Lien F/R 02-14-2024	United States	Term Loans	USD 1,698,836	2,117	2,179
<b>Total bonds</b>				<b>782,833</b>	<b>750,619</b>
<b>EQUITIES</b>					
3M Co.	United States	Industrials	31,100	6,320	5,985
Aena SA	Spain	Industrials	17,900	4,455	2,751
Agnico-Eagle Mines Ltd.	Canada	Materials	18,453	1,032	1,037
AIA Group Ltd.	Hong Kong	Financials	360,200	3,853	4,568
Air Canada	Canada	Industrials	180,959	6,913	2,850
Air Liquide SA	France	Materials	42,493	5,365	7,670
Alibaba Group Holding Ltd. ADR	China	Consumer Discretionary	19,900	4,800	5,456
Alimentation Couche-Tard Inc. Class B Sub. voting	Canada	Consumer Staples	206,309	6,405	6,839
Allied Properties Real Estate Investment Trust	Canada	Real Estate	138,348	5,233	6,190
Alphabet Inc. Class A	United States	Communication Services	4,700	4,568	7,699
AltaGas Ltd. Pfd. Series K	Canada	Energy	108,100	2,687	1,801
Altria Group Inc.	United States	Consumer Staples	88,706	4,803	4,836
Amadeus IT Group SA	Spain	Information Technology	40,700	3,679	2,718
Amazon.com Inc.	United States	Consumer Discretionary	3,635	5,267	9,992
Amphenol Corp. Class A	United States	Information Technology	22,400	2,371	2,302
Aon PLC	United States	Financials	18,000	5,214	4,188
Apple Inc.	United States	Information Technology	24,900	3,355	8,927
Atlas Copco AB A	Sweden	Industrials	108,500	3,275	5,127
Bank of Montreal	Canada	Financials	257,209	25,050	18,277
The Bank of Nova Scotia	Canada	Financials	646,454	43,900	37,151
BCE Inc. Pfd. Series AL	Canada	Telecommunication Services	51,850	742	564
Becton, Dickinson and Co.	United States	Health Care	35,753	6,194	11,581
The Blackstone Group Inc. Class A	United States	Financials	70,200	5,176	4,510
British American Tobacco PLC	United Kingdom	Consumer Staples	87,700	5,192	4,219
Broadcom Inc.	United States	Information Technology	17,700	5,533	5,916
Brookfield Asset Management Inc. Class A limited voting	Canada	Financials	170,498	12,345	10,636
Brookfield Asset Management Inc. Pfd. Series 46	Canada	Real Estate	50,280	1,265	1,017
Brookfield Asset Management Inc. Pfd. Series 48	Canada	Real Estate	43,472	1,085	861
Brookfield Infrastructure Corp. Class A	Canada	Utilities	16,763	729	851
Brookfield Infrastructure Partners LP	Canada	Utilities	150,867	7,002	7,709
Brookfield Renewable Partners LP Pfd. Series 11	Canada	Utilities	165,424	4,121	2,974
CAE Inc.	Canada	Industrials	80,400	1,725	1,430
Canadian National Railway Co.	Canada	Industrials	212,925	22,974	23,428
Canadian Natural Resources Ltd.	Canada	Energy	282,181	10,297	5,432
Canadian Pacific Railway Ltd.	Canada	Industrials	34,414	8,797	10,687
Canadian Utilities Ltd. Class A non-voting	Canada	Utilities	177,209	5,473	5,961



**MACKENZIE**  
Investments



# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
CCL Industries Inc. Class B non-voting	Canada	Materials	81,440	4,134	3,485
Cerner Corp.	United States	Health Care	42,700	4,074	3,792
Choice Properties Real Estate Investment Trust	Canada	Real Estate	568,711	7,262	7,348
CME Group Inc.	United States	Financials	29,000	3,648	7,069
Colliers International Group Inc.	Canada	Real Estate	37,068	3,336	2,495
Corteva Inc.	United States	Materials	89,100	3,294	2,952
Dassault Systemes SA	France	Information Technology	11,100	2,074	2,318
Deutsche Boerse AG	Germany	Financials	60,600	6,345	11,722
Diageo PLC	United Kingdom	Consumer Staples	86,100	3,346	3,885
DuPont de Nemours Inc.	United States	Materials	77,100	4,436	3,707
Ecolab Inc.	United States	Materials	8,700	2,040	1,911
Emera Inc.	Canada	Utilities	156,230	7,331	8,671
Emerson Electric Co.	United States	Industrials	64,700	4,516	4,346
Enbridge Inc.	Canada	Energy	515,223	24,374	21,114
Equifax Inc.	United States	Industrials	42,800	5,726	7,208
Eurofins Scientific	Luxembourg	Health Care	7,200	3,597	5,026
Facebook Inc.	United States	Communication Services	20,800	4,760	4,891
Fairfax Financial Holdings Ltd. Pfd. Series E	Canada	Financials	22,290	326	223
Fairfax Financial Holdings Ltd. Pfd. Series F	Canada	Financials	15,770	232	137
Finning International Inc.	Canada	Industrials	304,984	7,129	4,605
First Capital Real Estate Investment Trust	Canada	Real Estate	519,452	9,328	7,080
Fortis Inc.	Canada	Utilities	158,150	6,270	8,583
George Weston Ltd.	Canada	Consumer Staples	144,243	13,735	14,515
Heineken Holding NV A	Netherlands	Consumer Staples	51,300	5,546	5,544
Honeywell International Inc.	United States	Industrials	32,900	4,275	6,206
Housing Development Finance Corp. Ltd.	India	Financials	103,700	3,545	3,135
Husky Energy Inc. Pfd. Series 3	Canada	Energy	10,750	199	108
Husky Energy Inc. 4.45% 12-31-2049 Pfd. Series 1	Canada	Energy	14,810	182	83
Intact Financial Corp.	Canada	Financials	26,329	2,942	3,202
Intertek Group PLC	United Kingdom	Industrials	42,000	3,355	3,458
Japan Exchange Group Inc.	Japan	Financials	275,000	5,386	6,846
Johnson & Johnson	United States	Health Care	48,800	5,659	9,022
JPMorgan Chase & Co.	United States	Financials	77,700	8,247	9,862
Kerry Group PLC A	Ireland	Consumer Staples	14,000	2,245	2,260
Keyence Corp.	Japan	Information Technology	11,600	3,965	5,274
Killam Apartment Real Estate Investment Trust	Canada	Real Estate	110,229	1,655	1,739
Koninklijke Philips NV	Netherlands	Health Care	142,201	6,277	8,105
Kweichow Moutai Co. Ltd. Class A	China	Consumer Staples	21,852	733	4,850
Linde PLC	Ireland	Materials	16,400	3,525	4,000
Loblaw Companies Ltd.	Canada	Consumer Staples	68,286	3,407	4,954
Lockheed Martin Corp.	United States	Industrials	16,000	3,320	7,646
London Stock Exchange Group PLC	United Kingdom	Financials	43,700	3,548	5,546
LVMH Moet Hennessy Louis Vuitton SE	France	Consumer Discretionary	9,400	3,754	4,913
Manulife Financial Corp. Pfd. Series 13	Canada	Financials	55,870	1,131	694
Manulife Financial Corp.	Canada	Financials	1,377,525	31,080	24,341
McDonald's Corp.	United States	Consumer Discretionary	17,636	2,226	4,111
Microsoft Corp.	United States	Information Technology	68,750	4,381	15,286
Moody's Corp.	United States	Financials	23,000	3,370	6,858



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Nestlé SA Reg.	Switzerland	Consumer Staples	93,200	8,636	13,530
Nike Inc. Class B	United States	Consumer Discretionary	30,725	2,261	3,584
Novo Nordisk AS B	Denmark	Health Care	120,600	6,000	10,245
Nutrien Ltd.	Canada	Materials	268,059	16,595	12,896
Open Text Corp.	Canada	Information Technology	406,463	19,452	20,002
Oracle Corp.	United States	Information Technology	25,440	1,176	1,733
Otsuka Corp.	Japan	Information Technology	75,900	3,361	4,575
Pembina Pipeline Corp.	Canada	Energy	239,209	9,741	6,315
Pernod Ricard SA*	France	Consumer Staples	17,300	2,584	3,465
Philip Morris International Inc.	United States	Consumer Staples	88,400	8,735	9,093
Power Corp. of Canada Sub. Voting*	Canada	Financials	291,883	8,452	6,608
RELX PLC	United Kingdom	Industrials	148,700	4,853	4,490
Restaurant Brands International Inc.	Canada	Consumer Discretionary	252,524	21,058	14,321
RioCan Real Estate Investment Trust	Canada	Real Estate	197,255	5,024	3,182
Roche Holding AG Genussscheine	Switzerland	Health Care	23,500	7,637	10,761
Royal Bank of Canada	Canada	Financials	532,771	43,653	46,441
Safran SA	France	Industrials	48,400	5,012	5,991
SAP AG	Germany	Information Technology	42,100	3,996	6,809
Shaw Communications Inc. Class B non-voting	Canada	Communication Services	1,096,449	28,324	25,032
Shaw Communications Inc. Pfd Series A	Canada	Consumer Discretionary	57,860	824	613
The Sherwin-Williams Co.	United States	Materials	13,200	5,739	8,551
Sika AG	Switzerland	Materials	34,100	5,985	7,947
Sony Corp.	Japan	Consumer Discretionary	71,700	4,755	6,005
Starbucks Corp.	United States	Consumer Discretionary	52,202	4,174	4,838
Sun Life Financial Inc.	Canada	Financials	255,337	11,744	11,559
Suncor Energy Inc.	Canada	Energy	713,203	28,495	16,019
Taiwan Semiconductor Manufacturing Co. Ltd.	Taiwan	Information Technology	519,000	5,345	6,526
TC Energy Corp. Pfd. Series 15	Canada	Energy	115,377	2,908	2,319
TC Energy Corp.	Canada	Energy	238,180	13,328	14,898
TELUS Corp.	Canada	Communication Services	748,038	17,505	16,644
Tencent Holdings Ltd.	China	Communication Services	98,800	4,003	6,792
Texas Instruments Inc.	United States	Information Technology	48,300	6,643	6,805
The Toronto-Dominion Bank	Canada	Financials	763,650	41,740	45,688
TransAlta Corp. Pfd. Series A	Canada	Utilities	185,245	2,419	1,486
Trulieve Cannabis Corp. Purchase Warrants Exp. 06-18-2022	United States	Health Care	56,980	2	130
Unilever NV CVA	United Kingdom	Consumer Staples	82,900	4,212	5,752
United Technologies Corp.	United States	Industrials	39,300	6,397	5,226
Vail Resorts Inc.	United States	Consumer Discretionary	18,300	5,684	3,811
Visa Inc. Class A	United States	Information Technology	34,400	3,366	7,814
The Walt Disney Co.	United States	Communication Services	16,400	2,117	2,233
West Fraser Timber Co. Ltd.	Canada	Materials	58,244	3,425	1,563
Westcoast Energy Inc. 5.20% Cum. Red. First Pfd. Series 12	Canada	Utilities	38,220	961	791
Wolters Kluwer NV	Netherlands	Industrials	60,400	6,000	6,047
<b>Total equities</b>				<b>886,782</b>	<b>928,396</b>



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>OPTIONS</b>					
Options purchased (see schedule of options purchased)				335	2,615
<b>Total options</b>				<b>335</b>	<b>2,615</b>
<b>EXCHANGE-TRADED FUNDS/NOTES</b>					
iShares S&P/TSX 60 Index ETF	Canada	Exchange-Traded Funds/Notes	1,880,550	35,884	38,832
Mackenzie Emerging Markets Bond Index ETF (CAD-Hedged)	Canada	Exchange-Traded Funds/Notes	173,460	17,402	14,756
Mackenzie Emerging Markets Local Currency Bond Index ETF	United States	Exchange-Traded Funds/Notes	84,719	8,651	7,824
Mackenzie Global High Yield Fixed Income ETF	Canada	Exchange-Traded Funds/Notes	7,383,984	150,127	129,108
Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged)	Canada	Exchange-Traded Funds/Notes	164,448	16,468	16,538
<b>Total exchange-traded funds/notes</b>				<b>228,532</b>	<b>207,058</b>
<b>MUTUAL FUNDS</b>					
Mackenzie Credit Absolute Return Fund Series R	Canada	Mutual Funds	2,001,003	20,191	19,653
Mackenzie Global Credit Opportunities Fund Series R	Canada	Mutual Funds	653,654	6,134	5,534
Mackenzie Global Tactical Bond Fund Series R	Canada	Mutual Funds	1,322,752	13,102	12,250
Mackenzie International Dividend Fund Series R	Canada	Mutual Funds	455,243	4,566	5,533
<b>Total mutual funds</b>				<b>43,993</b>	<b>42,970</b>
Transaction costs				(847)	–
<b>Total investments</b>				<b>1,941,628</b>	<b>1,931,658</b>
Derivative instruments (see schedule of derivative instruments)					(33,717)
Cash and cash equivalents					110,601
Other assets less liabilities					12,089
<b>Total net assets</b>					<b>2,020,631</b>

\* Related to Mackenzie. See Note 1.



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2020		March 31, 2019	
Effective Portfolio Allocation	% of NAV	Effective Portfolio Allocation	% of NAV
Equities	48.4	Equities	48.8
Bonds	46.7	Bonds	40.4
<i>Bonds</i>	46.6	<i>Bonds</i>	40.4
<i>Purchased options</i>	0.1	<i>Purchased options</i>	0.0
<i>Short futures</i>	0.0	<i>Short futures</i>	(0.0)
Cash and short-term investments	6.3	Cash and short-term investments	8.4
Other assets (liabilities)	(1.4)	Mutual funds	3.6
		Other assets (liabilities)	(1.2)
Effective Regional Allocation	% of NAV	Effective Regional Allocation	% of NAV
Canada	44.4	Canada	43.0
United States	32.6	United States	33.5
Cash and short-term investments	6.3	Cash and short-term investments	8.4
Other	4.3	Other	4.0
United Kingdom	2.7	United Kingdom	2.8
China	1.9	France	1.7
Netherlands	1.8	Netherlands	1.5
Japan	1.6	Switzerland	1.4
Switzerland	1.6	Japan	1.4
France	1.6	Germany	1.4
Germany	1.1	China	0.8
Denmark	0.5	Luxembourg	0.7
Luxembourg	0.5	Ireland	0.6
Ireland	0.5	Other assets (liabilities)	(1.2)
Other assets (liabilities)	(1.4)		
Effective Sector Allocation	% of NAV	Effective Sector Allocation	% of NAV
Corporate bonds	27.2	Corporate bonds	24.4
Financials	14.2	Financials	13.5
Term loans	8.9	Term loans	13.3
Cash and short-term investments	6.3	Cash and short-term investments	8.4
Foreign government bonds	6.2	Energy	6.6
Industrials	5.6	Consumer staples	5.2
Information technology	5.0	Other	4.9
Consumer staples	4.3	Information technology	4.7
Energy	3.7	Industrials	4.5
Communication services	3.3	Mutual funds	3.6
Consumer discretionary	3.0	Health care	3.6
Materials	3.0	Communication services	3.5
Health care	3.0	Consumer discretionary	2.7
Other	2.9	Materials	2.3
Federal bonds	2.9	Other assets (liabilities)	(1.2)
Utilities	1.9		
Other assets (liabilities)	(1.4)		

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



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SCHEDULE OF OPTIONS PURCHASED

As at March 31, 2020

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Paid (\$ 000s)	Fair Value (\$ 000s)
iShares iBoxx \$ High Yield Corporate Bond ETF	701	Put	May 15, 2020	USD 85.00	142	843
iShares iBoxx \$ High Yield Corporate Bond ETF	995	Put	Jun. 19, 2020	USD 86.00	153	1,414
iShares iBoxx \$ High Yield Corporate Bond ETF	232	Put	Jun. 19, 2020	USD 87.00	40	358
<b>Total options</b>					<b>335</b>	<b>2,615</b>



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SCHEDULE OF DERIVATIVE INSTRUMENTS

As at March 31, 2020

### Schedule of Futures Contracts

Number of Contracts	Type of Contract	Expiration Date	Average Rate of Contracts (\$)	Notional Value* (\$ 000s)	Unrealized Gains (\$ 000s)
(107)	Euro-BTP Futures June 2020	Jun. 8, 2020	141.98 EUR	(23,499)	93
Unrealized Gains				(23,499)	93
<b>Total futures contracts</b>				<b>(23,499)</b>	<b>93</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	8,513	U.S. dollar	(1,942)	Canadian dollar	Apr. 3, 2020	11,942	11,999	57
A	13,770	U.S. dollar	(19,359)	Canadian dollar	Apr. 3, 2020	19,359	19,408	49
AA	10,731	Canadian dollar	(7,580)	U.S. dollar	Apr. 17, 2020	(10,731)	(10,673)	58
A	270	Euro	(419)	Canadian dollar	Apr. 20, 2020	419	420	1
A	11,560	U.S. dollar	(15,526)	Canadian dollar	Apr. 24, 2020	15,526	16,269	743
AA	11,560	U.S. dollar	(15,524)	Canadian dollar	Apr. 24, 2020	15,524	16,268	744
A	11,560	U.S. dollar	(15,525)	Canadian dollar	May 8, 2020	15,525	16,260	735
A	7,220	U.S. dollar	(9,700)	Canadian dollar	Jun. 12, 2020	9,700	10,153	453
Unrealized Gains						2,840		
A	17,995	Canadian dollar	(13,770)	U.S. dollar	Apr. 3, 2020	(17,995)	(19,409)	(1,414)
AA	11,123	Canadian dollar	(8,513)	U.S. dollar	Apr. 3, 2020	(11,123)	(11,999)	(876)
AA	1,530	Canadian dollar	(1,049)	Euro	Apr. 17, 2020	(1,530)	(1,629)	(99)
AA	1,937	Canadian dollar	(1,330)	Euro	Apr. 17, 2020	(1,937)	(2,066)	(129)
AA	240	Euro	(375)	Canadian dollar	Apr. 17, 2020	375	373	(2)
AA	210	Euro	(328)	Canadian dollar	Apr. 17, 2020	328	326	(2)
AA	41,769	Canadian dollar	(32,090)	U.S. dollar	Apr. 17, 2020	(41,769)	(45,184)	(3,415)
A	16,760	Canadian dollar	(12,880)	U.S. dollar	Apr. 17, 2020	(16,760)	(18,136)	(1,376)
AA	10,500	U.S. dollar	(15,177)	Canadian dollar	Apr. 17, 2020	15,177	14,785	(392)
AA	35,000	U.S. dollar	(50,747)	Canadian dollar	Apr. 17, 2020	50,747	49,281	(1,466)
A	1,533	Canadian dollar	(1,049)	Euro	Apr. 22, 2020	(1,533)	(1,629)	(96)
A	16	Canadian dollar	(10)	Euro	Apr. 22, 2020	(16)	(16)	–
A	24,612	Canadian dollar	(18,875)	U.S. dollar	Apr. 24, 2020	(24,612)	(26,562)	(1,950)
AA	42,620	Canadian dollar	(32,665)	U.S. dollar	Apr. 24, 2020	(42,620)	(45,969)	(3,349)
A	7,315	U.S. dollar	(10,342)	Canadian dollar	Apr. 24, 2020	10,342	10,295	(47)
A	44,172	Canadian dollar	(33,795)	U.S. dollar	May 8, 2020	(44,172)	(47,535)	(3,363)
A	95,309	Canadian dollar	(72,918)	U.S. dollar	May 8, 2020	(95,309)	(102,566)	(7,257)
AA	36,115	Canadian dollar	(27,265)	U.S. dollar	May 22, 2020	(36,115)	(38,346)	(2,231)
A	7,686	Canadian dollar	(5,800)	U.S. dollar	Jun. 12, 2020	(7,686)	(8,156)	(470)
A	86,260	Canadian dollar	(65,082)	U.S. dollar	Jun. 12, 2020	(86,260)	(91,518)	(5,258)
AA	30,752	Canadian dollar	(23,000)	U.S. dollar	Jun. 19, 2020	(30,752)	(32,341)	(1,589)
A	31,756	Canadian dollar	(23,768)	U.S. dollar	Jun. 19, 2020	(31,756)	(33,420)	(1,664)
A	8,161	Canadian dollar	(5,925)	U.S. dollar	Jun. 19, 2020	(8,161)	(8,331)	(170)
AA	4,648	Canadian dollar	(3,317)	U.S. dollar	Jul. 10, 2020	(4,648)	(4,663)	(15)
A	19,340	Canadian dollar	(13,770)	U.S. dollar	Jul. 10, 2020	(19,340)	(19,360)	(20)
Unrealized (Losses)						(36,650)		
<b>Total forward currency contracts</b>						<b>(33,810)</b>		
<b>Total derivative instruments at fair value</b>						<b>(33,717)</b>		

## 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.

## NOTES TO FINANCIAL STATEMENTS

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

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

Date of Formation            November 30, 2005

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)*

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

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. Investors in Series D securities also want to receive a monthly cash flow of 5% per year.

Series DZ securities were created specifically for the purpose of implementing mergers affecting the Fund and are not available for sale.

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

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

Series 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. Investors in Series O securities also want to receive a monthly cash flow of 5% per year.

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

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

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

Series PWX and Series PWX8 securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor. Investors in Series PWX and Series PWX8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively.

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 J securities are no longer available for sale.

Series FB5, Series PWF, Series PWF8 and Series PWFB5 securities are no longer available for sale. Effective June 1, 2018, Series FB5, Series PWF, Series PWF8 and Series PWFB5 securities were consolidated into Series FB, Series F, Series F8 and Series PWFB securities, respectively.

## NOTES TO FINANCIAL STATEMENTS

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

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

**Series Distributed by Quadrus Investment Services Ltd.** (255 Dufferin Ave., London, Ontario, N6A 4K1; 1-888-532-3322; [www.quadrusgroupoffunds.com](http://www.quadrusgroupoffunds.com))

Quadrus Investment Services Ltd. ("Quadrus") is the principal distributor of the series of securities listed below:

Quadrus Series, D5 Series and D8 Series securities are offered to investors investing a minimum of \$500. Investors in D5 Series and D8 Series securities also want to receive a monthly cash flow of 5% and 8% per year, respectively.

H Series, H5 Series and H8 Series securities are offered to investors investing a minimum of \$500, who are enrolled in a Quadrus-sponsored fee-for-service or wrap program and who are subject to an asset-based fee. Investors in H5 Series and H8 Series securities also want to receive a monthly cash flow of 5% and 8% per year, respectively.

HW Series, HW5 Series and HW8 Series securities are offered to high net worth investors investing a minimum of \$100,000 and who have eligible minimum total holdings of \$500,000, who are enrolled in a Quadrus-sponsored fee-for-service or wrap program and who are subject to an asset-based fee. Investors in HW5 Series and HW8 Series securities also want to receive a monthly cash flow of 5% and 8% per year, respectively.

L Series, L5 Series and L8 Series securities are offered to investors investing a minimum of \$100,000 and who have eligible minimum total holdings of \$500,000. Investors in L5 Series and L8 Series securities also want to receive a monthly cash flow of 5% and 8% per year, respectively.

N Series, N5 Series and N8 Series securities are offered to investors investing a minimum of \$100,000, who have eligible minimum total holdings of \$500,000, and who have entered into an N type series account agreement with Mackenzie and Quadrus. Investors in N5 Series and N8 Series securities also want to receive a monthly cash flow of 5% and 8% per year, respectively.

QF Series and QF5 Series securities are offered to retail investors investing a minimum of \$500. Investors are required to negotiate their advisor service fee, which cannot exceed 1.25%, with their financial advisor. Investors in QF5 Series securities also want to receive a monthly cash flow of 5% per year.

QFW Series and QFW5 Series securities are offered to high net worth investors investing a minimum of \$100,000 and who have eligible minimum total holdings of \$500,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.25%, with their financial advisor. Investors in QFW5 Series securities also want to receive a monthly cash flow of 5% per year.

**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, Series LW, Series LW5 and Series LX securities are no longer available for sale, except for additional purchases by investors who have held these securities since December 11, 2017. Before January 1, 2019, Series LW5 securities were known as Series LW6.

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 STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## 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	December 19, 2005	1.85%	0.21%	7.66	8.73
Series AR	October 17, 2013	1.85%	0.24%	10.57	11.65
Series B	May 9, 2013	1.85%	0.21%	10.37	11.43
Series D	January 17, 2014	1.10%	0.16%	12.53	14.17
Series DZ	August 13, 2019	1.50%	0.24%	9.12	—
Series F	December 20, 2005	0.70% <sup>(3)</sup>	0.15% <sup>(6)</sup>	8.70	9.81
Series F8	July 18, 2013	0.70% <sup>(3)</sup>	0.15% <sup>(6)</sup>	11.10	12.89
Series FB	October 26, 2015	0.85%	0.21%	9.36	10.56
Series FB5	None issued <sup>(8)</sup>	0.85%	0.21%	—	—
Series J	November 29, 2010	1.55%	0.20%	8.38	9.53
Series O	October 16, 2009	— <sup>(1)</sup>	—*	11.16	12.48
Series PW	October 9, 2013	1.70% <sup>(4)</sup>	0.15%	12.41	14.12
Series PWB	April 3, 2017	1.70% <sup>(4)</sup>	0.15%	9.23	10.16
Series PWF	None issued <sup>(9)</sup>	0.80%	0.15%	—	—
Series PWF8	None issued <sup>(10)</sup>	0.80%	0.15%	—	—
Series PWF8	April 3, 2017	0.70% <sup>(5)</sup>	0.15%	8.62	9.72
Series PWF85	None issued <sup>(11)</sup>	0.70% <sup>(5)</sup>	0.15%	—	—
Series PWR	April 1, 2019	1.70%	0.15%	9.04	—
Series PWT8	November 4, 2013	1.70% <sup>(4)</sup>	0.15%	10.48	12.28
Series PWX	October 22, 2013	— <sup>(2)</sup>	— <sup>(2)</sup>	13.76	15.39
Series PWX8	November 4, 2013	— <sup>(2)</sup>	— <sup>(2)</sup>	11.80	13.59
Series R	July 3, 2007	—*	—*	9.03	9.94
Series S	August 13, 2019	— <sup>(1)</sup>	0.025%	9.13	—
Series T8	May 9, 2013	1.85%	0.21%	10.14	11.92
Quadrus Series <sup>(14)</sup>	July 8, 2013	1.85%	0.21%	10.78	11.87
H Series	July 16, 2013	0.85%	0.15% <sup>(7)</sup>	10.61	11.70
H5 Series	October 17, 2014	0.85%	0.15% <sup>(7)</sup>	13.41	15.13
H8 Series	August 13, 2019	0.85%	0.15%	13.13	—
HW Series	August 7, 2018	0.55%	0.15%	9.15	10.08
HW5 Series	August 7, 2018	0.55%	0.15%	13.24	14.89
HW8 Series	August 13, 2019	0.55%	0.15%	13.17	—
L Series	August 22, 2013	1.55%	0.15%	10.80	11.89
L5 Series	September 1, 2015	1.55%	0.15%	13.48	15.30
L8 Series	August 13, 2019	1.55%	0.15%	13.07	—
N Series	July 17, 2013	— <sup>(1)</sup>	— <sup>(1)</sup>	10.81	11.92
N5 Series	October 15, 2014	— <sup>(1)</sup>	— <sup>(1)</sup>	14.29	15.97
N8 Series	August 13, 2019	— <sup>(1)</sup>	— <sup>(1)</sup>	13.21	—
D5 Series	September 9, 2013	1.85%	0.21%	12.97	14.78

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## 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
D8 Series	August 13, 2019	1.85%	0.21%	13.04	—
QF Series	July 12, 2016	0.85%	0.21%	9.99	11.01
QF5 Series	July 12, 2016	0.85%	0.21%	13.62	15.37
QFW Series	August 7, 2018	0.55%	0.15%	9.15	10.08
QFW5 Series	August 7, 2018	0.55%	0.15%	13.25	14.90
Series LB	December 12, 2012	1.85%	0.21%	10.93	12.08
Series LW	December 1, 2017	1.70% <sup>(12)</sup>	0.15%	9.08	10.02
Series LW5 <sup>(13)</sup>	December 1, 2017	1.70% <sup>(12)</sup>	0.15%	12.40	14.12
Series LX	February 3, 2012	1.85%	0.21%	11.64	13.28

\* Not applicable.

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

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

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

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

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

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

(7) Prior to June 28, 2018, the administration fee for this series was charged to the Fund at a rate of 0.16%.

(8) The series' original start date was October 26, 2015. All securities in the series were consolidated into Series FB on June 1, 2018.

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

(10) The series' original start date was August 26, 2014. All securities in the series were consolidated into Series F8 on June 1, 2018.

(11) The series' original start date was April 3, 2017. All securities in the series were consolidated into Series PWFB on June 1, 2018.

(12) Prior to November 23, 2018, the management fee for this series was charged to the Fund at a rate of 1.80%.

(13) Before January 1, 2019, Series LW5 securities were known as Series LW6.

(14) On August 17, 2020, Quadrus Series will be renamed Q Series.

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

As at March 31, 2020, Mackenzie, other funds managed by Mackenzie and The Canada Life Assurance Company had investments of \$114, \$164,230 and \$122,398 (2019 – \$16, \$214,169 and \$Nil), respectively, in the Fund.

#### (c) Loss Carryforwards

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



# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

### 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	149,833	47,827
Value of collateral received	159,204	51,286

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	407	100.0	410	100.0
Tax withheld	(43)	(10.6)	(80)	(19.5)
	364	89.4	330	80.5
Payments to Securities Lending Agent	(81)	(19.9)	(83)	(20.2)
Securities lending income	283	69.5	247	60.3

#### (e) Commissions

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

	(\$)
March 31, 2020	106
March 31, 2019	102

#### (f) Fund Merger

At a meeting held on July 25, 2019, investors in Mackenzie Canadian Balanced Fund (the "Terminating Fund") approved the merger of the Terminating Fund into the Fund. The merger was effective after the close of business on August 16, 2019. The merger was effected by transferring the net assets of the Terminating Fund in exchange for the securities of the Fund at fair market value. Series A, Series D, Series DZ, Series F, Series F5, Series F8, Series FB, Series O, Series PW, Series PWFB, Series PWFB5, Series PWT5, Series PWT8, Series PWX, Series S, Series T5, Series T8, Quadrus Series, H Series, H5 Series, H8 Series, HW Series, HW5 Series, HW8 Series, L Series, L5 Series, L8 Series, N Series, N5 Series, N8 Series, D5 Series, D8 Series, QF Series, QF5 Series and QFW Series of the Terminating Fund were issued 5,394 Series A securities, 2 Series D securities, 126 Series DZ securities, 134 Series F securities, 0.1 Series F8 securities, 1 Series FB securities, 1 Series O securities, 1,025 Series PW securities, 6 Series PWFB securities, 133 Series PWT8 securities, 24 Series PWX securities, 13,600 Series S securities, 114 Series T8 securities, 6,424 Quadrus Series securities, 70 H Series securities, 0.1 H5 Series securities, 0.1 H8 Series securities, 3 HW Series securities, 0.1 HW5 Series securities, 0.1 HW8 Series securities, 1,798 L Series securities, 38 L5 Series securities, 74 L8 Series securities, 355 N Series securities, 5 N5 Series securities, 9 N8 Series securities, 15 D5 Series securities, 141 D8 Series securities, 190 QF Series securities, 2 QF5 Series securities, 24 QFW Series securities of the Fund in exchange for net assets of \$311,664, which was the fair value on August 16, 2019. The merger has been accounted for as an acquisition of the Terminating Fund.

Following the merger, the Terminating Fund was terminated. Mackenzie paid the expenses incurred to effect the merger.



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

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

#### (g) Offsetting of Financial Assets and Liabilities

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

	March 31, 2020			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	1,580	(1,487)	–	93
Unrealized losses on derivative contracts	(12,529)	1,487	2,051	(8,991)
Liability for options written	–	–	–	–
Total	(10,949)	–	2,051	(8,898)

	March 31, 2019			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	269	–	–	269
Unrealized losses on derivative contracts	(644)	–	550	(94)
Liability for options written	–	–	–	–
Total	(375)	–	550	175

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

##### *i. Risk exposure and management*

The Fund seeks income and long-term capital growth by investing primarily in fixed income and/or income-oriented equities issued anywhere in the world, although it currently invests primarily in North America. Depending on economic conditions and relative valuations by the Fund's portfolio managers, the Fund will generally invest 30% to 70% of its assets in each of equity and fixed income securities, but may invest up to 100% of its assets in either asset class.



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

##### ii. Currency risk

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

March 31, 2020				
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	634,164	91,518	(399,450)	326,232
Euro	85,846	(893)	(4,128)	80,825
Japanese yen	32,263	–	–	32,263
Swiss franc	32,238	–	–	32,238
British pound	21,598	–	–	21,598
Chinese yuan	16,101	506	–	16,607
Hong Kong dollar	11,360	(192)	–	11,168
Danish krone	10,245	122	–	10,367
Taiwanese dollar	6,526	–	–	6,526
Swedish krona	5,127	–	–	5,127
Indian rupee	3,135	–	–	3,135
Norwegian krone	–	(298)	–	(298)
Total	858,603	90,763	(403,578)	545,788
% of Net Assets	42.5	4.5	(20.0)	27.0

March 31, 2019				
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	633,366	57,931	(404,776)	286,521
Euro	89,159	21	(3,532)	85,648
British pound	27,813	–	–	27,813
Swiss franc	26,136	–	–	26,136
Japanese yen	25,039	441	–	25,480
Hong Kong dollar	13,939	–	–	13,939
Danish krone	7,247	13	–	7,260
Chinese yuan	5,432	1	–	5,433
Taiwanese dollar	4,066	–	–	4,066
Brazilian real	3,511	–	–	3,511
Swedish krona	3,468	–	–	3,468
Norwegian krone	3,464	(5)	–	3,459
Total	842,640	58,402	(408,308)	492,734
% of Net Assets	45.1	3.1	(21.8)	26.4

\* Includes both monetary and non-monetary financial instruments



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

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

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 decreased or increased by approximately \$29,408 or 1.5% of total net assets (2019 – \$25,308 or 1.4%). In practice, the actual trading results may differ and the difference could be material.

##### iii. Interest rate risk

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

Term to Maturity	March 31, 2020 (\$)		March 31, 2019 (\$)	
	Bonds	Derivative Instruments	Bonds	Derivative Instruments
Less than 1 year	11,159	(23,499)	897	(30,207)
1-5 years	210,994	–	191,034	–
5-10 years	361,605	–	362,315	–
Greater than 10 years	166,861	–	71,333	–
Total	750,619	(23,499)	625,579	(30,207)

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 \$51,491 or 2.5% (2019 – \$29,411 or 1.6%) 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 \$51,562 or 2.6% (2019 – \$30,610 or 1.6%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

##### iv. Other price risk

The Fund's most significant exposure to price risk arises from its investment in equity securities, mutual funds and exchange-traded funds/notes. As at March 31, 2020, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased by approximately \$97,750 or 4.8% of total net assets (2019 – \$92,049 or 4.9%). In practice, the actual trading results may differ and the difference could be material.

##### v. Credit risk

The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum exposure to any one debt issuer as at March 31, 2020, was 3.2% of the net assets of the Fund (2019 – 1.4%).

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

Bond Rating*	March 31, 2020	March 31, 2019
	% of Net Assets	% of Net Assets
AAA	3.0	1.6
AA	4.2	1.2
A	4.2	2.5
BBB	7.1	6.0
BB	6.5	6.6
B	7.7	12.2
Less than B	1.7	2.1
Unrated	2.7	1.2
Total	37.1	33.4

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

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

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

#### (i) Fair Value Classification

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

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

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

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

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

	March 31, 2020				March 31, 2019			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	1,149	749,470	–	750,619	1,443	624,136	–	625,579
Equities	729,526	198,870	–	928,396	910,411	–	–	910,411
Options	–	2,615	–	2,615	507	–	–	507
Exchange-traded funds/notes	207,058	–	–	207,058	138,828	–	–	138,828
Mutual funds	42,970	–	–	42,970	67,066	–	–	67,066
Derivative assets	93	2,840	–	2,933	–	707	–	707
Derivative liabilities	–	(36,650)	–	(36,650)	(53)	(3,351)	–	(3,404)
Short-term investments	–	17,679	–	17,679	–	136,445	–	136,445
Total	980,796	934,824	–	1,915,620	1,118,202	757,937	–	1,876,139

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

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

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



**MACKENZIE**  
Investments

# MACKENZIE STRATEGIC INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

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

#### (i) Fair Value Classification (cont'd)

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	–	780
Purchases	–	–
Sales	–	–
Transfers in	–	–
Transfers out	–	–
Gains (losses) during the period:		
Realized	–	–
Unrealized	–	(780)
Balance – end of period	–	–
Change in unrealized gains (losses) during the period attributable to securities held at end of period	–	–

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.



**MACKENZIE**  
Investments