

# MACKENZIE PRIVATE GLOBAL INCOME BALANCED POOL

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 Private Global Income Balanced Pool (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 Private Global Income Balanced Pool (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 PRIVATE GLOBAL INCOME BALANCED POOL

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 PRIVATE GLOBAL INCOME BALANCED POOL

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
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Investments at fair value	94,010	90,965
Cash and cash equivalents	2,632	1,668
Dividends receivable	7	8
Accounts receivable for investments sold	–	–
Accounts receivable for securities issued	74	–
Unrealized gains on derivative contracts	207	13
<b>Total assets</b>	<b>96,930</b>	<b>92,654</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable for investments purchased	4	2
Accounts payable for securities redeemed	7	165
Due to manager	4	–
Unrealized losses on derivative contracts	790	103
<b>Total liabilities</b>	<b>805</b>	<b>270</b>
<b>Net assets attributable to securityholders</b>	<b>96,125</b>	<b>92,384</b>
<b>Net assets attributable to securityholders per series (note 3)</b>		
Series PW	47,290	43,460
Series PWF	29,464	33,330
Series PWF8	657	719
Series PWF8	4,874	4,747
Series PWT8	63	1
Series PWX	7,771	8,997
Series PWX8	1	404
Series O	236	1
Series LF	3,315	254
Series LW	2,454	471
<b>Net assets attributable to securityholders per security (note 3)</b>		
Series PW	9.80	10.81
Series PWF	13.33	14.55
Series PWF8	11.88	13.49
Series PWF8	13.22	14.43
Series PWT8	11.62	13.33
Series PWX	14.08	15.24
Series PWX8	12.11	13.63
Series O	13.54	14.66
Series LF	14.21	15.51
Series LW	14.03	15.48

## STATEMENTS OF COMPREHENSIVE INCOME

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

	2020	2019
	\$	\$
<b>Income</b>		
Dividends	875	673
Interest income	1,522	2,318
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	441	789
Net unrealized gain (loss)	(5,839)	202
<b>Total income (loss)</b>	<b>(3,001)</b>	<b>3,982</b>
<b>Expenses (note 6)</b>		
Management fees	1,236	1,032
Management fee rebates	(4)	(9)
Administration fees	155	133
Commissions and other portfolio transaction costs	9	8
Independent Review Committee fees	–	–
Other	1	3
<b>Expenses before amounts absorbed by Manager</b>	<b>1,397</b>	<b>1,167</b>
Expenses absorbed by Manager	–	1
<b>Net expenses</b>	<b>1,397</b>	<b>1,166</b>
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>(4,398)</b>	<b>2,816</b>
Foreign withholding taxes	30	28
Foreign income taxes paid (recovered)	–	–
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>(4,428)</b>	<b>2,788</b>
<b>Increase (decrease) in net assets attributable to securityholders from operations per series</b>		
Series PW	(2,578)	1,041
Series PWF	(1,076)	1,117
Series PWF8	(23)	17
Series PWF8	(186)	163
Series PWT8	(7)	–
Series PWX	(189)	420
Series PWX8	10	18
Series O	(19)	–
Series LF	(212)	5
Series LW	(148)	7
<b>Increase (decrease) in net assets attributable to securityholders from operations per security</b>		
Series PW	(0.59)	0.28
Series PWF	(0.48)	0.48
Series PWF8	(0.45)	0.51
Series PWF8	(0.51)	0.46
Series PWT8	(1.25)	0.40
Series PWX	(0.34)	0.72
Series PWX8	0.91	0.62
Series O	(1.89)	(0.60)
Series LF	(1.29)	1.41
Series LW	(0.96)	1.14

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



**MACKENZIE**  
Investments

# MACKENZIE PRIVATE GLOBAL INCOME BALANCED POOL

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
	Series PW		Series PWF		Series PWF8		Series PWF8	
	\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>								
<b>Beginning of period</b>	<b>43,460</b>	<b>33,729</b>	<b>33,330</b>	<b>31,463</b>	<b>719</b>	<b>1</b>	<b>4,747</b>	<b>2,429</b>
Increase (decrease) in net assets from operations	(2,578)	1,041	(1,076)	1,117	(23)	17	(186)	163
Distributions paid to securityholders:								
Investment income	(238)	(706)	(352)	(802)	(8)	(15)	(56)	(138)
Capital gains	(346)	(178)	(251)	(145)	(6)	(3)	(41)	(27)
Return of capital	(1,802)	(1,619)	(1,058)	(1,149)	(52)	(36)	(166)	(173)
Management fee rebates	(3)	(5)	(1)	(3)	–	–	–	(1)
Total distributions paid to securityholders	(2,389)	(2,508)	(1,662)	(2,099)	(66)	(54)	(263)	(339)
Security transactions:								
Proceeds from securities issued	12,492	18,048	4,470	10,590	–	724	1,236	4,347
Reinvested distributions	2,333	2,446	1,567	1,987	29	33	263	339
Payments on redemption of securities	(6,028)	(9,296)	(7,165)	(9,728)	(2)	(2)	(923)	(2,192)
Total security transactions	8,797	11,198	(1,128)	2,849	27	755	576	2,494
<b>Total increase (decrease) in net assets</b>	<b>3,830</b>	<b>9,731</b>	<b>(3,866)</b>	<b>1,867</b>	<b>(62)</b>	<b>718</b>	<b>127</b>	<b>2,318</b>
<b>End of period</b>	<b>47,290</b>	<b>43,460</b>	<b>29,464</b>	<b>33,330</b>	<b>657</b>	<b>719</b>	<b>4,874</b>	<b>4,747</b>

	Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>								
<b>Securities outstanding – beginning of period</b>	<b>4,021</b>	<b>3,005</b>	<b>2,291</b>	<b>2,105</b>	<b>53</b>	<b>–</b>	<b>329</b>	<b>164</b>
Issued	1,145	1,639	302	713	–	50	85	296
Reinvested distributions	215	232	107	141	2	3	18	24
Redeemed	(555)	(855)	(489)	(668)	–	–	(63)	(155)
<b>Securities outstanding – end of period</b>	<b>4,826</b>	<b>4,021</b>	<b>2,211</b>	<b>2,291</b>	<b>55</b>	<b>53</b>	<b>369</b>	<b>329</b>

	Series PWT8		Series PWX		Series PWX8		Series O	
	\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>								
<b>Beginning of period</b>	<b>1</b>	<b>1</b>	<b>8,997</b>	<b>8,499</b>	<b>404</b>	<b>420</b>	<b>1</b>	<b>–</b>
Increase (decrease) in net assets from operations	(7)	–	(189)	420	10	18	(19)	–
Distributions paid to securityholders:								
Investment income	–	–	(137)	(280)	(3)	(13)	(2)	–
Capital gains	(1)	–	(69)	(41)	–	(2)	(1)	–
Return of capital	(5)	–	(233)	(234)	(7)	(28)	(5)	–
Management fee rebates	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(6)	–	(439)	(555)	(10)	(43)	(8)	–
Security transactions:								
Proceeds from securities issued	99	–	592	1,922	–	–	260	1
Reinvested distributions	6	–	439	551	–	14	8	–
Payments on redemption of securities	(30)	–	(1,629)	(1,840)	(403)	(5)	(6)	–
Total security transactions	75	–	(598)	633	(403)	9	262	1
<b>Total increase (decrease) in net assets</b>	<b>62</b>	<b>–</b>	<b>(1,226)</b>	<b>498</b>	<b>(403)</b>	<b>(16)</b>	<b>235</b>	<b>1</b>
<b>End of period</b>	<b>63</b>	<b>1</b>	<b>7,771</b>	<b>8,997</b>	<b>1</b>	<b>404</b>	<b>236</b>	<b>1</b>

	Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>								
<b>Securities outstanding – beginning of period</b>	<b>–</b>	<b>–</b>	<b>590</b>	<b>547</b>	<b>30</b>	<b>29</b>	<b>–</b>	<b>–</b>
Issued	7	–	39	127	–	–	16	–
Reinvested distributions	–	–	28	37	–	1	1	–
Redeemed	(2)	–	(105)	(121)	(30)	–	–	–
<b>Securities outstanding – end of period</b>	<b>5</b>	<b>–</b>	<b>552</b>	<b>590</b>	<b>–</b>	<b>30</b>	<b>17</b>	<b>–</b>

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

# MACKENZIE PRIVATE GLOBAL INCOME BALANCED POOL

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
	Series LF		Series LW		Total	
	\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>						
<b>Beginning of period</b>	<b>254</b>	<b>–</b>	<b>471</b>	<b>–</b>	<b>92,384</b>	<b>76,542</b>
Increase (decrease) in net assets from operations	(212)	5	(148)	7	(4,428)	2,788
Distributions paid to securityholders:						
Investment income	(28)	–	(12)	–	(836)	(1,954)
Capital gains	(28)	–	(19)	–	(762)	(396)
Return of capital	(89)	(1)	(92)	(1)	(3,509)	(3,241)
Management fee rebates	–	–	–	–	(4)	(9)
Total distributions paid to securityholders	(145)	(1)	(123)	(1)	(5,111)	(5,600)
Security transactions:						
Proceeds from securities issued	3,373	251	3,366	464	25,888	36,347
Reinvested distributions	145	1	123	1	4,913	5,372
Payments on redemption of securities	(100)	(2)	(1,235)	–	(17,521)	(23,065)
Total security transactions	3,418	250	2,254	465	13,280	18,654
<b>Total increase (decrease) in net assets</b>	<b>3,061</b>	<b>254</b>	<b>1,983</b>	<b>471</b>	<b>3,741</b>	<b>15,842</b>
<b>End of period</b>	<b>3,315</b>	<b>254</b>	<b>2,454</b>	<b>471</b>	<b>96,125</b>	<b>92,384</b>
<b>Increase (decrease) in fund securities (note 7):</b>	<b>Securities</b>		<b>Securities</b>			
<b>Securities outstanding – beginning of period</b>	<b>16</b>	<b>–</b>	<b>30</b>	<b>–</b>		
Issued	215	16	216	30		
Reinvested distributions	9	–	8	–		
Redeemed	(7)	–	(79)	–		
<b>Securities outstanding – end of period</b>	<b>233</b>	<b>16</b>	<b>175</b>	<b>30</b>		

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

# MACKENZIE PRIVATE GLOBAL INCOME BALANCED POOL

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	(4,428)	2,788
Adjustments for:		
Net realized loss (gain) on investments	163	(178)
Change in net unrealized loss (gain) on investments	5,839	(202)
Distributions received in-kind from underlying funds	(1,125)	(1,633)
Purchase of investments	(31,613)	(74,383)
Proceeds from sale and maturity of investments	24,160	61,417
Change in dividends receivable	1	(8)
Change in due from manager	–	4
Change in due to manager	4	(4)
<b>Net cash from operating activities</b>	<b>(6,999)</b>	<b>(12,199)</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	25,814	36,994
Payments on redemption of securities	(17,679)	(22,900)
Distributions paid net of reinvestments	(198)	(228)
<b>Net cash from financing activities</b>	<b>7,937</b>	<b>13,866</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>938</b>	<b>1,667</b>
Cash and cash equivalents at beginning of period	1,668	–
Effect of exchange rate fluctuations on cash and cash equivalents	26	1
<b>Cash and cash equivalents at end of period</b>	<b>2,632</b>	<b>1,668</b>
Cash	2,632	1,248
Cash equivalents	–	420
<b>Cash and cash equivalents at end of period</b>	<b>2,632</b>	<b>1,668</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	876	665
Foreign taxes paid	30	28
Interest received	1,522	2,318
Interest paid	–	–

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

# MACKENZIE PRIVATE GLOBAL INCOME BALANCED POOL

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>EQUITIES</b>					
Adobe Systems Inc.	United States	Information Technology	17	8	8
Air Lease Corp.	United States	Industrials	57	4	2
Alibaba Group Holding Ltd. ADR	China	Consumer Discretionary	88	26	24
Allegion PLC	United States	Industrials	237	29	31
Apollo Investment Corp.	United States	Financials	600	13	6
Arch Capital Group Ltd.	United States	Financials	64	4	3
Ares Capital Corp.	United States	Financials	1,200	30	18
AT&T Inc.	United States	Communication Services	704	29	29
BlackRock Kelso Capital Corp.	United States	Financials	1,100	7	3
The Blackstone Group Inc. Class A	United States	Financials	245	17	16
Booz Allen Hamilton Holding Corp.	United States	Information Technology	80	8	8
C.H. Robinson Worldwide Inc.	United States	Industrials	229	27	21
CarGurus Inc.	United States	Consumer Discretionary	143	7	4
CBRE Group Inc. Class A	United States	Real Estate	46	4	2
CDW Corp. of Delaware	United States	Information Technology	126	24	17
Chegg Inc.	United States	Consumer Discretionary	68	4	3
Copart Inc.	United States	Industrials	219	27	21
Crescent Capital BDC Inc.	United States	Financials	646	14	9
CSX Corp.	United States	Industrials	307	28	25
D.R. Horton Inc.	United States	Consumer Discretionary	198	14	9
DTE Energy Co.	United States	Utilities	178	28	24
Eagle Materials Inc.	United States	Materials	374	39	31
Edwards Lifesciences Corp.	United States	Health Care	81	25	22
Envestnet Inc.	United States	Information Technology	84	8	6
Essent Group Ltd.	United States	Financials	299	20	11
Essential Properties Realty Trust Inc.	United States	Real Estate	654	22	12
Euronet Worldwide Inc.	United States	Information Technology	34	7	4
Evoqua Water Technologies LLC	United States	Industrials	575	14	9
Exelon Corp.	United States	Utilities	436	27	23
Expeditors International of Washington Inc.	United States	Industrials	296	28	28
FedEx Corp.	United States	Industrials	115	26	20
Fidus Investment Corp.	United States	Financials	400	8	4
FleetCor Technologies Inc.	United States	Information Technology	36	14	9
Fortinet Inc.	United States	Information Technology	190	29	27
Fortune Brands Home & Security Inc.	United States	Industrials	369	23	22
Franco-Nevada Corp.	Canada	Materials	88	12	12
Goldman Sachs BDC Inc.	United States	Financials	400	11	7
Hannon Armstrong Sustainable Infrastructure Capital Inc.	United States	Real Estate	400	15	12
HDFC Bank Ltd. ADR	India	Financials	89	7	5
HEICO Corp.	United States	Industrials	135	22	14
Incyte Corp.	United States	Health Care	176	18	18
InMode Ltd.	United States	Health Care	428	25	13
Intuitive Surgical Inc.	United States	Health Care	3	2	2
J.B. Hunt Transport Services Inc.	United States	Industrials	188	27	24
Jazz Pharmaceuticals PLC	United States	Health Care	18	3	3
JPMorgan Chase & Co.	United States	Financials	86	15	11
Kansas City Southern	United States	Industrials	205	30	37
L3Harris Technologies Inc.	United States	Industrials	13	4	3
Leidos Holdings Inc.	United States	Information Technology	60	8	8



**MACKENZIE**  
Investments

# MACKENZIE PRIVATE GLOBAL INCOME BALANCED POOL

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>					
Lennox International Inc.	United States	Industrials	81	25	21
Lululemon Athletica Inc.	United States	Consumer Discretionary	88	28	24
Masco Corp.	United States	Industrials	630	31	31
Medley Capital Corp.	United States	Financials	3,200	9	3
Microsoft Corp.	United States	Information Technology	72	15	16
Momo Inc.	China	Communication Services	319	17	10
Monroe Capital Corp.	United States	Financials	800	12	8
New Oriental Education & Technology Group Inc. ADR	China	Consumer Discretionary	134	24	20
NextEra Energy Inc.	United States	Utilities	113	30	38
NMI Holdings Inc. Class A	United States	Financials	578	24	9
Norfolk Southern Corp.	United States	Industrials	113	26	23
Nucor Corp.	United States	Materials	340	26	17
OGE Energy Corp.	United States	Utilities	512	28	22
Old Dominion Freight Line Inc.	United States	Industrials	213	28	39
Owens Corning Inc.	United States	Industrials	404	29	22
Oxford Square Capital Corp.	United States	Financials	1,400	10	5
Paycom Software Inc.	United States	Information Technology	70	27	20
Paylocity Holding Corp.	United States	Information Technology	163	29	20
PennantPark Investment Corp.	United States	Financials	1,700	14	6
PennyMac Financial Services Inc.	United States	Financials	503	22	16
Planet Fitness Inc.	United States	Consumer Discretionary	78	8	5
PPL Corp.	United States	Utilities	678	28	24
Prospect Capital Corp.	United States	Financials	2,600	22	16
Public Service Enterprise Group Inc.	United States	Utilities	374	28	24
Reliance Steel & Aluminum Co.	United States	Materials	245	28	30
ResMed Inc.	United States	Health Care	17	4	4
RH	United States	Consumer Discretionary	98	27	14
Royal Gold Inc.	United States	Materials	24	4	3
Sempra Energy	United States	Utilities	210	38	33
ServiceNow Inc.	United States	Information Technology	60	24	24
Solar Senior Capital Ltd.	United States	Financials	400	9	5
Spirit Realty Capital Inc.	United States	Real Estate	215	14	8
Steel Dynamics Inc.	United States	Materials	566	26	18
StoneCo Ltd.	Brazil	Information Technology	282	15	9
STORE Capital Corp.	United States	Real Estate	135	7	3
Sysco Corp.	United States	Consumer Staples	315	28	20
TCP Capital Corp.	United States	Financials	900	17	8
THL Credit Inc.	United States	Financials	2,700	25	10
TPG Specialty Lending Inc.	United States	Financials	900	26	18
Union Pacific Corp.	United States	Industrials	125	27	25
United Parcel Service Inc. (UPS) Class B	United States	Industrials	188	27	25
Universal Display Corp.	United States	Information Technology	102	29	19
Universal Health Services Inc. Class B	United States	Health Care	146	26	20
Veeva Systems Inc. Class A	United States	Health Care	106	21	23
Verizon Communications Inc.	United States	Communication Services	389	28	29
Visa Inc. Class A	United States	Information Technology	31	8	7
Yandex NV	Russia	Communication Services	64	4	3
<b>Total equities</b>				<b>1,843</b>	<b>1,477</b>



**MACKENZIE**  
Investments



# MACKENZIE PRIVATE GLOBAL INCOME BALANCED POOL

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>EXCHANGE-TRADED FUNDS/NOTES</b>					
Global X MLP ETF	United States	Exchange-Traded Funds/Notes	24,780	297	110
iShares Global Infrastructure ETF	United States	Exchange-Traded Funds/Notes	11,000	513	530
iShares J.P. Morgan USD Emerging Markets Bond ETF	United States	Exchange-Traded Funds/Notes	4,953	708	675
SPDR Gold Trust ETF	United States	Exchange-Traded Funds/Notes	2,868	464	599
Vanguard Real Estate ETF	United States	Exchange-Traded Funds/Notes	4,600	415	453
<b>Total exchange-traded funds/notes</b>				<b>2,397</b>	<b>2,367</b>
<b>MUTUAL FUNDS</b>					
Mackenzie Canadian Growth Fund Series R	Canada	Mutual Funds	651,342	15,037	13,832
Mackenzie Emerging Markets Class Series R	Canada	Mutual Funds	12,550	139	113
Mackenzie Emerging Markets Fund Series R	Canada	Mutual Funds	392,608	3,414	2,928
Mackenzie Global Credit Opportunities Fund Series R	Canada	Mutual Funds	1,138,120	10,740	9,636
Mackenzie Global Dividend Fund Series R	Canada	Mutual Funds	2,208,586	25,145	26,786
Mackenzie Global Small Cap Fund Series R	Canada	Mutual Funds	355,583	7,509	4,953
Mackenzie Global Tactical Investment Grade Bond Fund Series R	Canada	Mutual Funds	2,226,771	21,792	22,008
Mackenzie Multi-Strategy Absolute Return Fund Series R	Canada	Mutual Funds	322,657	3,223	3,041
Mackenzie Strategic Bond Fund Series R	Canada	Mutual Funds	660,442	6,775	6,869
<b>Total mutual funds</b>				<b>93,774</b>	<b>90,166</b>
Transaction costs				(7)	–
<b>Total investments</b>				<b>98,007</b>	<b>94,010</b>
Derivative instruments (see schedule of derivative instruments)					(583)
Cash and cash equivalents					2,632
Other assets less liabilities					66
<b>Total net assets</b>					<b>96,125</b>



**MACKENZIE**  
Investments

# MACKENZIE PRIVATE GLOBAL INCOME BALANCED POOL

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	51.0	Equities	56.8
Bonds	40.1	Bonds	34.9
<i>Bonds</i>	39.9	Cash and short-term investments*	5.3
<i>Short futures</i>	0.1	Mutual funds	2.3
<i>Purchased options</i>	0.1	Commodities	0.8
Cash and short-term investments	8.3	Other assets (liabilities)	(0.1)
Mutual funds	1.3		
Commodities	0.6		
Purchased currency options	0.1		
Other assets (liabilities)	(1.4)		
Effective Regional Allocation	% of NAV	Effective Regional Allocation	% of NAV
United States	40.0	United States	39.1
Canada	18.8	Canada	17.1
Other	10.4	Other	12.9
Cash and short-term investments	8.3	Cash and short-term investments*	5.3
China	4.4	United Kingdom	4.2
United Kingdom	3.2	Japan	3.8
Japan	2.9	Germany	2.6
Germany	2.6	Netherlands	2.5
Netherlands	2.5	China	2.4
Switzerland	2.1	Switzerland	2.3
France	1.6	France	2.2
Taiwan	1.2	Australia	2.2
Norway	0.9	Denmark	1.3
South Korea	0.9	Hong Kong	1.2
Hong Kong	0.8	Taiwan	1.0
Denmark	0.8	Other assets (liabilities)	(0.1)
Other assets (liabilities)	(1.4)		
Effective Sector Allocation	% of NAV	Effective Sector Allocation	% of NAV
Foreign government bonds	18.5	Corporate bonds	16.5
Corporate bonds	15.0	Foreign government bonds	11.1
Financials	8.9	Financials	8.8
Information technology	8.9	Information technology	8.5
Industrials	8.4	Health care	8.0
Cash and short-term investments	8.3	Industrials	7.9
Health care	6.5	Consumer staples	7.2
Consumer staples	6.0	Other	5.9
Other	4.0	Cash and short-term investments*	5.3
Materials	3.5	Consumer discretionary	4.4
Consumer discretionary	3.3	Materials	3.8
Communication services	2.3	Energy	3.3
Provincial bonds	2.2	Term loans	2.9
Term loans	2.2	Mutual funds	2.3
Federal bonds	1.7	Real estate	2.1
Real estate	1.7	Communication services	2.1
Other assets (liabilities)	(1.4)	Other assets (liabilities)	(0.1)

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

\* As at March 31, 2019, a portion of the Fund's effective cash allocation is invested in Series R securities of a money market fund managed by Mackenzie.

# MACKENZIE PRIVATE GLOBAL INCOME BALANCED POOL

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## SCHEDULE OF DERIVATIVE INSTRUMENTS

As at March 31, 2020

### Schedule of Forward Currency Contracts

Counterparty Credit Rating	Bought (\$ 000s)		Sold (\$ 000s)		Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized Gains (Losses) (\$ 000s)
A	193	Swiss franc	(270)	Canadian dollar	May 15, 2020	270	283	13
A	254	Euro	(378)	Canadian dollar	May 15, 2020	378	395	17
A	195	British pound	(336)	Canadian dollar	May 15, 2020	336	342	6
A	164	British pound	(282)	Canadian dollar	May 15, 2020	282	287	5
A	2,610	U.S. dollar	(3,503)	Canadian dollar	May 15, 2020	3,503	3,669	166
Unrealized Gains								207
A	630	Canadian dollar	(460)	Swiss franc	May 15, 2020	(630)	(674)	(44)
A	1,932	Canadian dollar	(1,324)	Euro	May 15, 2020	(1,932)	(2,057)	(125)
AA	762	Canadian dollar	(522)	Euro	May 15, 2020	(762)	(811)	(49)
A	465	Canadian dollar	(270)	British pound	May 15, 2020	(465)	(471)	(6)
AA	58	Canadian dollar	(4,776)	Japanese yen	May 15, 2020	(58)	(62)	(4)
A	313	Canadian dollar	(25,768)	Japanese yen	May 15, 2020	(313)	(337)	(24)
A	937	Canadian dollar	(75,000)	Japanese yen	May 15, 2020	(937)	(983)	(46)
A	1,215	Canadian dollar	(919)	U.S. dollar	May 15, 2020	(1,215)	(1,292)	(77)
A	2,779	Canadian dollar	(2,101)	U.S. dollar	May 15, 2020	(2,779)	(2,957)	(178)
A	2,801	Canadian dollar	(1,902)	Euro	May 27, 2020	(2,801)	(2,957)	(156)
A	1,057	Canadian dollar	(86,823)	Japanese yen	May 27, 2020	(1,057)	(1,138)	(81)
Unrealized (Losses)								(790)
<b>Total forward currency contracts</b>								<b>(583)</b>
<b>Total derivative instruments at fair value</b>								<b>(583)</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.

# MACKENZIE PRIVATE GLOBAL INCOME BALANCED POOL

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

Date of Formation November 20, 2015

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

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

Series PW 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 4% or 8% per year, respectively.

Series PWF and Series PWF8 securities are offered through our Private Wealth Solutions to certain high net worth investors who are enrolled in a dealer-sponsored fee-for-service or wrap program, who are subject to an asset-based fee rather than commissions on each transaction and who invest at least \$100,000. Investors in Series PWF and Series PWF8 securities also want to receive a monthly cash flow of 4% or 8% per year, respectively.

Series PWF8 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 PWF8 securities also want to receive a monthly cash flow of 4% per year.

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 4% or 8% per year, respectively.

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 4% 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 LF securities are offered to retail investors investing a minimum of \$500, who are enrolled in the LBC Private Banking sponsored fee-for-service program. Investors in Series LF securities also want to receive a monthly cash flow of 4% per year.

Series LW securities are offered through our Preferred Pricing Program to certain high net worth investors who invest a minimum of \$100,000. Investors in Series LW securities also want to receive a monthly cash flow of 4% per year.

An investor in the Fund may choose among different purchase options that are available under each series. These purchase options are a sales charge purchase option and a no-load purchase option. The charges under the sales charge purchase option are negotiated by investors with their dealers. Not all purchase options are available under each series of the Fund, and the charges for each purchase option may vary among the different series. For further details on these purchase options, please refer to the Fund's Simplified Prospectus and Fund Facts.

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Mar. 31, 2020	Mar. 31, 2019
Series PW	December 14, 2015	1.65% <sup>(3)</sup>	0.15%	9.80	10.81
Series PWF	December 14, 2015	0.65% <sup>(4)</sup>	0.15%	13.33	14.55
Series PWF8	October 16, 2017	0.65% <sup>(4)</sup>	0.15%	11.88	13.49
Series PWF8	April 3, 2017	0.65% <sup>(4)</sup>	0.15%	13.22	14.43
Series PWT8	October 16, 2017	1.65% <sup>(3)</sup>	0.15%	11.62	13.33
Series PWX	December 14, 2015	— <sup>(1)</sup>	— <sup>(1)</sup>	14.08	15.24
Series PWX8	October 16, 2017	— <sup>(1)</sup>	— <sup>(1)</sup>	12.11	13.63
Series O	June 1, 2018	— <sup>(2)</sup>	—*	13.54	14.66
Series LF	December 7, 2018	0.65%	0.15%	14.21	15.51
Series LW	December 7, 2018	1.65%	0.15%	14.03	15.48

\* Not applicable.

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

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

(3) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 1.70%.

(4) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 0.70%.

# MACKENZIE PRIVATE GLOBAL INCOME BALANCED POOL

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

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

(b) Investments by Mackenzie and Affiliates

As at March 31, 2020, Mackenzie had an investment of \$7 (2019 – \$7) in the Fund.

(c) Loss Carryforwards

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

(d) Securities Lending

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

(e) 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	196	(196)	–	–
Unrealized losses on derivative contracts	(658)	196	–	(462)
Liability for options written	–	–	–	–
Total	(462)	–	–	(462)

	March 31, 2019			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	13	(13)	–	–
Unrealized losses on derivative contracts	(103)	13	–	(90)
Liability for options written	–	–	–	–
Total	(90)	–	–	(90)

(f) Risks Associated with Financial Instruments

*i. Risk exposure and management*

The Fund seeks income with potential long-term capital growth by investing primarily in fixed income and income-oriented equities of issuers anywhere in the world, either directly or through other mutual funds. The Fund utilizes multiple portfolio management teams with a mix of investing styles. The Fund's asset mix will generally range between 45%–75% equities and 25%–55% fixed income securities. The Fund diversifies in terms of geographic exposure, sector exposure, company market capitalization, portfolio manager style, credit quality and duration.

*ii. Currency risk*

All underlying funds are denominated in Canadian dollars. However, the Fund is indirectly exposed to the risk that the value of foreign currency denominated financial instruments held by underlying funds will fluctuate due to changes in exchange rates. The underlying funds may hedge some or all of their currency exposure.

As at March 31, 2020, had foreign currency exchange rates increased or decreased by 5% relative to the Canadian dollar, with all other variables held constant, net assets would have decreased or increased by approximately \$2,102 or 2.2% of total net assets (2019 – \$1,796 or 1.9%). In practice, the actual trading results may differ and the difference could be material.

*iii. Interest rate risk*

The Fund does not directly hold any interest-bearing financial instruments other than a nominal amount of cash and short-term investments. The Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the underlying funds will fluctuate due to changes in the prevailing levels of market interest rates.

# MACKENZIE PRIVATE GLOBAL INCOME BALANCED POOL

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

##### iii. Interest rate risk (cont'd)

As at March 31, 2020, had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased by approximately \$2,561 or 2.7% of total net assets (2019 – \$1,327 or 1.4%). 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 direct investment in equity securities and the underlying funds' investments in equity securities, options and mutual funds. As at March 31, 2020, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased by approximately \$5,145 or 5.4% of total net assets (2019 – \$5,656 or 6.1%). In practice, the actual trading results may differ and the difference could be material.

##### v. Credit risk

The Fund's greatest indirect concentration of credit risk is in debt securities, such as bonds, held by underlying funds. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer. For more information regarding the credit risk of underlying funds, refer to the underlying funds' financial statements available on the SEDAR website at [www.sedar.com](http://www.sedar.com) or at [www.mackenzieinvestments.com](http://www.mackenzieinvestments.com).

#### (g) 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 (\$)
Equities	1,477	–	–	1,477	1,604	–	–	1,604
Exchange-traded funds/notes	2,367	–	–	2,367	5,728	–	–	5,728
Mutual funds	90,166	–	–	90,166	83,633	–	–	83,633
Derivative assets	–	207	–	207	–	13	–	13
Derivative liabilities	–	(790)	–	(790)	–	(103)	–	(103)
Short-term investments	–	–	–	–	420	–	–	420
Total	94,010	(583)	–	93,427	91,385	(90)	–	91,295

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

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

Financial instruments classified as Level 2 investments are valued through incorporating observable market data and using standard market convention practices.