

Interim Unaudited Financial Statements

For the Six-Month Period Ended September 30, 2019

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

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

NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS

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

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



MACKENZIE INVESTMENT GRADE FLOATING RATE FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

FIXED INCOME FUND

STATEMENTS OF FINANCIAL POSITION

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

	Sep. 30 2019	Mar. 31 2019 (Audited)		Sep. 30 2019	Mar. 31 2019 (Audited)
	\$	\$		\$	\$
ASSETS			Net assets attributable to securityholders		
Current assets			per security (note 3)		
Investments at fair value	49,468	54,769	Series A	9.95	9.93
Cash and cash equivalents	1,387	1,577	Series AR	10.04	10.03
Accrued interest receivable	145	171	Series D	10.02	10.01
Dividends receivable	1	1	Series F	10.02	10.01
Accounts receivable for investments sold	82	358	Series F5	11.70	11.87
Accounts receivable for securities issued	20	41	Series FB	10.02	10.01
Unrealized gains on derivative contracts	14	14	Series FB5	13.24	13.45
Total assets	51,117	56,931	Series O	9.63	9.61
			Series PW	9.93	9.93
			Series PWFB	10.02	10.00
			Series PWFB5	13.82	13.99
			Series PWR	10.02	—
			Series PWT5	13.35	13.58
			Series PWX	9.63	9.62
			Series SC	9.98	9.97
			Series S5	11.34	11.55
			Series T5	11.14	11.36
LIABILITIES					
Current liabilities					
Accounts payable for investments purchased	73	83			
Accounts payable for securities redeemed	20	243			
Unrealized losses on derivative contracts	70	96			
Total liabilities	163	422			
Net assets attributable to securityholders	50,954	56,509			
Net assets attributable to securityholders					
per series (note 3)					
Series A	1,562	1,883			
Series AR	323	335			
Series D	61	202			
Series F	23,232	21,485			
Series F5	63	65			
Series FB	49	37			
Series FB5	1	1			
Series O	1,030	1,210			
Series PW	18,954	24,847			
Series PWFB	16	16			
Series PWFB5	1	1			
Series PWR	9	—			
Series PWT5	71	83			
Series PWX	87	328			
Series SC	5,407	5,618			
Series S5	66	89			
Series T5	22	309			

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



MACKENZIE
Investments

MACKENZIE INVESTMENT GRADE FLOATING RATE FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

FIXED INCOME FUND

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended September 30 (note 1)
In thousands (except per security figures)

	2019	2018		2019	2018
	\$	\$		\$	\$
Income			Increase (decrease) in net assets attributable to securityholders from operations per security		
Dividends	8	10	Series A	0.06	0.04
Interest income	710	685	Series AR	0.06	0.04
Other changes in fair value of investments and other net assets			Series D	0.10	0.07
Net realized gain (loss)	16	(168)	Series F	0.11	0.09
Net unrealized gain (loss)	64	160	Series F5	0.13	0.12
Securities lending income	4	–	Series FB	0.11	0.09
Total income (loss)	802	687	Series FB5	0.13	0.13
			Series O	0.14	0.12
Expenses (note 6)			Series PW	0.09	0.07
Management fees	232	255	Series PWF	–	0.03
Management fee rebates	(9)	(15)	Series PWF6	–	0.05
Administration fees	46	43	Series PWFB	0.11	0.09
Commissions and other portfolio transaction costs	4	9	Series PWFB5	0.18	0.13
Independent Review Committee fees	–	–	Series PWR	0.08	–
Other	–	1	Series PWT5	0.11	0.09
Expenses before amounts absorbed by Manager	273	293	Series PWX	0.15	0.13
Expenses absorbed by Manager	–	–	Series SC	0.07	0.06
Net expenses	273	293	Series S5	0.08	0.06
			Series T5	0.08	0.04
Increase (decrease) in net assets attributable to securityholders from operations before tax	529	394			
Foreign withholding taxes	–	–			
Foreign income taxes paid (recovered)	–	–			
Increase (decrease) in net assets attributable to securityholders from operations	529	394			
Increase (decrease) in net assets attributable to securityholders from operations per series					
Series A	8	6			
Series AR	2	2			
Series D	2	1			
Series F	249	114			
Series F5	1	1			
Series FB	1	–			
Series FB5	–	–			
Series O	17	21			
Series PW	203	167			
Series PWF	–	32			
Series PWF6	–	–			
Series PWFB	–	–			
Series PWFB5	–	–			
Series PWR	–	–			
Series PWT5	–	–			
Series PWX	3	5			
Series SC	42	43			
Series S5	–	2			
Series T5	1	–			

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MACKENZIE INVESTMENT GRADE FLOATING RATE FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

FIXED INCOME FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION

For the periods ended September 30 (note 1)
In thousands

	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Series A		Series AR		Series D		Series F		Series F5	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	1,883	2,304	335	297	202	122	21,485	6,483	65	149
Increase (decrease) in net assets from operations	8	6	2	2	2	1	249	114	1	1
Distributions paid to securityholders:										
Investment income	(8)	(9)	(1)	(1)	(1)	(1)	(218)	(119)	(1)	(1)
Capital gains	-	-	-	-	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-	-	-	(1)	(2)
Management fee rebates	-	-	-	-	-	-	(1)	-	-	-
Total distributions paid to securityholders	(8)	(9)	(1)	(1)	(1)	(1)	(219)	(119)	(2)	(3)
Security transactions:										
Proceeds from securities issued	52	159	14	19	20	23	7,070	11,979	-	7
Reinvested distributions	7	9	1	1	1	1	193	100	-	1
Payments on redemption of securities	(380)	(485)	(28)	(16)	(163)	(8)	(5,546)	(2,054)	(1)	(82)
Total security transactions	(321)	(317)	(13)	4	(142)	16	1,717	10,025	(1)	(74)
Total increase (decrease) in net assets	(321)	(320)	(12)	5	(141)	16	1,747	10,020	(2)	(76)
End of period	1,562	1,984	323	302	61	138	23,232	16,503	63	73
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	189	231	33	30	20	12	2,147	647	6	12
Issued	5	17	2	2	2	3	705	1,195	-	1
Reinvested distributions	1	1	-	-	-	-	19	10	-	-
Redeemed	(38)	(49)	(3)	(2)	(16)	(1)	(553)	(205)	(1)	(7)
Securities outstanding – end of period	157	200	32	30	6	14	2,318	1,647	5	6
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	37	48	1	1	1,210	1,568	24,847	22,850	-	9,602
Increase (decrease) in net assets from operations	1	-	-	-	17	21	203	167	-	32
Distributions paid to securityholders:										
Investment income	-	-	-	-	(15)	(21)	(168)	(176)	-	(27)
Capital gains	-	-	-	-	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-	-	-	-	-
Management fee rebates	-	-	-	-	-	-	(8)	(13)	-	(2)
Total distributions paid to securityholders	-	-	-	-	(15)	(21)	(176)	(189)	-	(29)
Security transactions:										
Proceeds from securities issued	12	1	-	-	4	141	2,423	5,013	-	314
Reinvested distributions	-	-	-	-	15	21	148	144	-	26
Payments on redemption of securities	(1)	(15)	-	-	(201)	(313)	(8,491)	(2,519)	-	(9,945)
Total security transactions	11	(14)	-	-	(182)	(151)	(5,920)	2,638	-	(9,605)
Total increase (decrease) in net assets	12	(14)	-	-	(180)	(151)	(5,893)	2,616	-	(9,602)
End of period	49	34	1	1	1,030	1,417	18,954	25,466	-	-
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	4	5	-	-	126	163	2,503	2,296	-	959
Issued	1	-	-	-	-	15	244	504	-	31
Reinvested distributions	-	-	-	-	2	2	15	14	-	3
Redeemed	-	(2)	-	-	(21)	(33)	(854)	(253)	-	(993)
Securities outstanding – end of period	5	3	-	-	107	147	1,908	2,561	-	-

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

MACKENZIE INVESTMENT GRADE FLOATING RATE FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

FIXED INCOME FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

For the periods ended September 30 (note 1)
In thousands

	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Series PWF6		Series PWF6		Series PWF6		Series PWR		Series PWT5	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	–	8	16	1	1	1	–	–	83	46
Increase (decrease) in net assets from operations	–	–	–	–	–	–	–	–	–	–
Distributions paid to securityholders:										
Investment income	–	–	–	–	–	–	–	–	(1)	–
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–	–	–	(1)	(2)
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	–	–	–	–	–	–	–	–	(2)	(2)
Security transactions:										
Proceeds from securities issued	–	–	–	15	–	–	24	–	–	236
Reinvested distributions	–	–	–	–	–	–	–	–	1	1
Payments on redemption of securities	–	(8)	–	–	–	–	(15)	–	(11)	(198)
Total security transactions	–	(8)	–	15	–	–	9	–	(10)	39
Total increase (decrease) in net assets	–	(8)	–	15	–	–	9	–	(12)	37
End of period	–	–	16	16	1	1	9	–	71	83

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	–	1	2	–	–	–	–	–	6	3
Issued	–	–	–	2	–	–	3	–	–	17
Reinvested distributions	–	–	–	–	–	–	–	–	–	–
Redeemed	–	(1)	–	–	–	–	(2)	–	(1)	(14)
Securities outstanding – end of period	–	–	2	2	–	–	1	–	5	6

	Series PWX		Series SC		Series S5		Series T5		Total	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	328	485	5,618	9,481	89	124	309	340	56,509	53,910
Increase (decrease) in net assets from operations	3	5	42	43	–	2	1	–	529	394
Distributions paid to securityholders:										
Investment income	(2)	(4)	(35)	(41)	–	(1)	–	(1)	(450)	(402)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	(1)	(4)	(1)	(9)	(4)	(17)
Management fee rebates	–	–	–	–	–	–	–	–	(9)	(15)
Total distributions paid to securityholders	(2)	(4)	(35)	(41)	(1)	(5)	(1)	(10)	(463)	(434)
Security transactions:										
Proceeds from securities issued	8	–	1,236	933	–	304	–	–	10,863	19,144
Reinvested distributions	2	4	31	37	1	2	1	10	401	357
Payments on redemption of securities	(252)	(302)	(1,485)	(4,685)	(23)	(252)	(288)	–	(16,885)	(20,882)
Total security transactions	(242)	(298)	(218)	(3,715)	(22)	54	(287)	10	(5,621)	(1,381)
Total increase (decrease) in net assets	(241)	(297)	(211)	(3,713)	(23)	51	(287)	–	(5,555)	(1,421)
End of period	87	188	5,407	5,768	66	175	22	340	50,954	52,489

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	34	50	564	950	8	10	27	28
Issued	1	–	124	93	–	26	–	–
Reinvested distributions	–	–	3	4	–	–	–	1
Redeemed	(26)	(30)	(149)	(469)	(2)	(21)	(25)	–
Securities outstanding – end of period	9	20	542	578	6	15	2	29

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MACKENZIE INVESTMENT GRADE FLOATING RATE FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

FIXED INCOME FUND

STATEMENTS OF CASH FLOWS

For the periods ended September 30 (note 1)
In thousands

	2019	2018
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	529	394
Adjustments for:		
Net realized loss (gain) on investments	(6)	(71)
Change in net unrealized loss (gain) on investments	(57)	(160)
Purchase of investments	(11,472)	(21,429)
Proceeds from sale and maturity of investments	17,076	23,918
Change in accrued interest receivable	26	40
Change in due from manager	–	7
Change in margin on derivatives	–	154
Change in due to manager	–	(3)
Net cash from operating activities	6,096	2,850
Cash flows from financing activities		
Proceeds from securities issued	10,056	15,419
Payments on redemption of securities	(16,280)	(17,304)
Distributions paid net of reinvestments	(62)	(77)
Net cash from financing activities	(6,286)	(1,962)
Net increase (decrease) in cash and cash equivalents	(190)	888
Cash and cash equivalents at beginning of period	1,577	831
Effect of exchange rate fluctuations on cash and cash equivalents	–	–
Cash and cash equivalents at end of period	1,387	1,719
Cash	16	12
Cash equivalents	1,371	1,707
Cash and cash equivalents at end of period	1,387	1,719
Supplementary disclosures on cash flow from operating activities:		
Dividends received	8	10
Foreign taxes paid	–	–
Interest received	736	725
Interest paid	–	–

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MACKENZIE INVESTMENT GRADE FLOATING RATE FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

FIXED INCOME FUND

SCHEDULE OF INVESTMENTS

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS					
Acproducts Inc. Term Loan 1st Lien F/R 02-14-2024	United States	Term Loans	USD 9,875	12	13
Aegis Toxicology Sciences Corp. Term Loan B 1st Lien F/R 05-09-2025	United States	Term Loans	USD 9,900	13	13
AG Merger Sub II Inc. Term Loan B 1st Lien F/R 08-01-2026	United States	Term Loans	USD 10,000	13	13
Al Ladder Luxembourg Term Loan B 1st Lien F/R 05-04-2025	United States	Term Loans	USD 6,400	8	8
AL Midcoast Holdings LLC Term Loan B 1st Lien F/R 06-28-2025	United States	Term Loans	USD 19,800	26	26
Alcami Carolinas Corp. Term Loan 1st Lien F/R 07-06-2025	United States	Term Loans	USD 19,800	26	25
Alchemy US Holdco LLC Term Loan B 1st Lien F/R 10-01-2025	United States	Term Loans	USD 19,625	25	26
APFS Staffing Holdings Inc. Term Loan 1st Lien F/R 04-10-2026	United States	Term Loans	USD 9,975	13	13
Artis Real Estate Investment Trust F/R 02-07-2020	Canada	Corporate - Non Convertible	1,000,000	1,002	1,002
Ascend Performance Materials Operations LLC Term Loan B 1st Lien F/R 08-16-2026	United States	Term Loans	USD 10,000	13	13
AT&T Inc. F/R 06-12-2024	United States	Corporate - Non Convertible	USD 900,000	1,178	1,214
Ball Metalpack Finco LLC Term Loan B 1st Lien F/R 07-26-2025	United States	Term Loans	USD 9,875	13	12
Bank of America Corp. F/R 04-24-2022 Callable 2021	United States	Corporate - Non Convertible	1,150,000	1,150	1,152
Bank of Montreal 2.27% 07-11-2022	Canada	Corporate - Non Convertible	860,000	861	863
The Bank of Nova Scotia 1.90% 12-02-2021 DPNT	Canada	Corporate - Non Convertible	160,000	156	159
The Bank of Nova Scotia 2.49% 09-23-2024	Canada	Corporate - Non Convertible	20,000	20	20
The Bank of Nova Scotia F/R 07-03-2029 Callable 2024	Canada	Corporate - Non Convertible	20,000	20	20
Bausch Health Cos Inc. Term Loan B 1st Lien F/R 05-24-2025	United States	Term Loans	USD 8,613	11	11
Bell Canada 2.00% 10-01-2021	Canada	Corporate - Non Convertible	980,000	974	977
Bruce Power LP 2.84% 06-23-2021	Canada	Corporate - Non Convertible	1,000,000	999	1,009
Canada Housing Trust F/R 09-15-2023	Canada	Federal Government	9,500,000	9,499	9,494
Canada Housing Trust F/R 03-15-2024	Canada	Federal Government	4,050,000	4,048	4,045
Canadian Imperial Bank of Commerce F/R 04-09-2020	Canada	Corporate - Non Convertible	1,300,000	1,300	1,300
Canadian Imperial Bank of Commerce 2.90% 09-14-2021	Canada	Corporate - Non Convertible	250,000	250	254
Canadian Imperial Bank of Commerce 2.47% 12-05-2022	Canada	Corporate - Non Convertible	20,000	20	20
Canadian Imperial Bank of Commerce 2.35% 08-28-2024	Canada	Corporate - Non Convertible	20,000	20	20
Canadian Mortgage Pools 1.75% 06-01-2024	Canada	Mortgage Backed	68,751	68	68
Cards II Trust 2.16% 10-15-2020	Canada	Corporate - Non Convertible	440,000	440	440
CareCentrix Inc. Term Loan 1st Lien F/R 03-22-2025	United States	Term Loans	USD 48,125	62	64
Caterpillar Financial Services Ltd. F/R 12-09-2019	United States	Corporate - Non Convertible	1,200,000	1,200	1,200
CCS-CMGC Holdings Inc. Term Loan 1st Lien F/R 09-25-2025	United States	Term Loans	USD 9,925	13	13
Central 1 Credit Union F/R 02-05-2021	Canada	Corporate - Non Convertible	800,000	798	800
CEVA Logistics Finance BV Term Loan B 1st Lien F/R 08-03-2025	United States	Term Loans	USD 9,975	13	12
Charter Communications Operating LLC F/R 02-01-2024 Callable 2024	United States	Corporate - Non Convertible	USD 900,000	1,194	1,222
Citadel LLC Term Loan B 1st Lien F/R 02-22-2026	United States	Term Loans	USD 49,725	65	66
Connect Finco SARL Term Loan B 1st Lien F/R 09-23-2026	United Kingdom	Term Loans	USD 5,000	7	7
Crown Subsea Communications Holding Inc. Term Loan 1st Lien F/R 11-02-2025	United States	Term Loans	USD 29,250	38	39
CVS Health Corp. F/R 03-09-2020	United States	Corporate - Non Convertible	USD 500,000	642	663
Diamond 1 Finance Corp. 4.42% 06-15-2021 Callable 2021 144A	United States	Corporate - Non Convertible	USD 740,000	994	1,011
Diamond Sports Group LLC Term Loan B 1st Lien F/R 07-18-2026	United States	Term Loans	USD 10,000	13	13
Dollarama Inc. F/R 03-16-2020	Canada	Corporate - Non Convertible	2,000,000	2,004	2,001
DynCorp International Inc. Term Loan B 1st Lien F/R 08-15-2025	United States	Term Loans	USD 20,000	26	26
EagleTree-Carbide Acquisition Corp. Term Loan 1st Lien F/R 08-28-2024	United States	Term Loans	USD 58,430	73	77



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INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

FIXED INCOME FUND

SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
Edgewell Personal Care Co. Term Loan B 1st Lien F/R 09-20-2026	United States	Term Loans	USD 10,000	13	13
Electrical Components International Inc. Term Loan 1st Lien F/R 06-22-2025	United States	Term Loans	USD 19,750	26	24
EnerCare Solutions Inc. 3.38% 02-21-2022 Callable 2022	Canada	Corporate - Non Convertible	130,000	130	132
EnTrans International LLC Term Loan 1st Lien F/R 10-29-2025	United States	Term Loans	USD 18,875	25	24
EPCOR Utilities Inc. 1.95% 07-08-2022	Canada	Corporate - Non Convertible	150,000	150	150
Fédération des Caisses Desjardins du Québec 3.06% 09-11-2023	Canada	Corporate - Non Convertible	530,000	538	548
Forming Machining Industries Holdings LLC Term Loan 1st Lien F/R 10-03-2025	United States	Term Loans	USD 16,200	21	20
Fortified Trust 1.67% 07-23-2021	Canada	Corporate - Non Convertible	180,000	180	178
Foundation Building Materials LLC Term Loan B 1st Lien F/R 05-11-2025	United States	Term Loans	USD 9,925	13	13
Gaz Metro Inc. 1.52% 05-25-2020	Canada	Corporate - Non Convertible	60,000	60	60
GEMS MENASA (Cayman) Ltd. Term Loan B 1st Lien F/R 07-30-2026	United Arab Emirates	Term Loans	USD 9,975	13	13
Genesis Trust II 1.70% 04-15-2020	Canada	Corporate - Non Convertible	110,000	109	110
GlaxoSmithKline Capital PLC F/R 05-14-2021	United Kingdom	Corporate - Non Convertible	USD 870,000	1,133	1,154
GLOBALFOUNDRIES Inc. Term Loan B 1st Lien F/R 05/24/2026	United States	Term Loans	USD 30,000	40	39
The Goldman Sachs Group Inc. F/R 07-27-2022 Callable 2021	United States	Corporate - Non Convertible	800,000	797	799
H&R Real Estate Investment Trust 3.42% 01-23-2023 Callable 2022	Canada	Corporate - Non Convertible	10,000	10	10
Halo Buyer Inc. Term Loan 1st Lien F/R 06-28-2025	United States	Term Loans	USD 9,876	13	13
Heritage Power LLC Term Loan B 1st Lien F/R 07-08-2026	United States	Term Loans	USD 10,000	13	13
Hollis Receivables Term Trust II 1.79% 02-26-2020	Canada	Corporate - Non Convertible	340,000	337	340
HSBC Bank Canada 2.17% 06-29-2022	Canada	Corporate - Non Convertible	1,850,000	1,819	1,844
HSBC Bank Canada 2.25% 09-15-2022	Canada	Corporate - Non Convertible	10,000	10	10
HSBC Bank Canada 3.25% 09-15-2023	Canada	Corporate - Non Convertible	20,000	20	21
Hydro One Inc. 2.54% 04-05-2024 Callable 2024	Canada	Corporate - Non Convertible	20,000	20	20
IEA Energy Services LLC Term Loan 1st Lien F/R 09-25-2024	United States	Term Loans	USD 27,769	35	36
II-VI Inc. Term Loan B 1st Lien F/R 05-08-2026	United States	Term Loans	USD 20,000	26	27
INEOS Enterprises Holdings US Finco LLC Term Loan B 1st Lien F/R 07-29-2026	United States	Term Loans	USD 10,000	13	13
Innovative Water Care Global Corp. Term Loan 1st Lien F/R 02-27-2026	United States	Term Loans	USD 9,950	12	12
Institutional Shareholder Services Inc. Term Loan 1st Lien F/R 02-26-2026	United States	Term Loans	USD 9,950	13	13
Intermedia Holdings Inc. Term Loan B 1st Lien F/R 07-13-2025	United States	Term Loans	USD 19,850	26	26
iQor US Inc. Term Loan B 1st Lien F/R 04-01-2021	United States	Term Loans	USD 18,960	23	22
Isagenix International LLC Term Loan 1st Lien F/R 04-26-2025	United States	Term Loans	USD 28,500	36	29
Ivanhoe Cambridge II Inc. 2.91% 06-27-2023 Callable 2023	Canada	Corporate - Non Convertible	10,000	10	10
John Deere Canada Funding Inc. F/R 09-21-2020	United States	Corporate - Non Convertible	1,500,000	1,500	1,503
JP Intermediate B LLC Term Loan 1st Lien F/R 10-19-2025	United States	Term Loans	USD 9,625	12	11
JPMorgan Chase & Co. 3.19% 03-05-2021	United States	Corporate - Non Convertible	780,000	795	791
Keane Group Holdings LLC Term Loan B 1st Lien F/R 05-18-2025	United States	Term Loans	USD 19,750	25	25
Kestrel Acquisition LLC Term Loan B 1st Lien F/R 05-02-2025	United States	Term Loans	USD 9,900	13	12
Kestrel Bidco Inc. Term Loan 1st Lien F/R 08-07-2026	Canada	Term Loans	USD 20,000	26	27
Laurentian Bank of Canada 2.55% 06-20-2022	Canada	Corporate - Non Convertible	40,000	40	40
Metro Inc. 1.52% 02-27-2020 MTN	Canada	Corporate - Non Convertible	1,000,000	1,002	1,001



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MACKENZIE INVESTMENT GRADE FLOATING RATE FUND

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SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
Multi-Color Corp. Term Loan B 1st Lien F/R 06-17-2026	United States	Term Loans	USD 10,000	13	13
MyNEXUS Inc. Term Loan 1st Lien F/R 06-19-2024	United States	Term Loans	USD 9,750	13	13
Norbord Inc. 5.75% 07-15-2027 Callable 2022 144A	Canada	Corporate - Non Convertible	USD 10,000	13	14
OCI Beaumont LLC Term Loan B 1st Lien F/R 02-16-2025	United States	Term Loans	USD 9,850	12	13
OMERS Realty Corp. 2.47% 11-12-2019 Callable	Canada	Corporate - Non Convertible	1,190,000	1,192	1,191
PayPal Holdings Inc. 2.20% 09-26-2022	United States	Corporate - Non Convertible	USD 30,000	40	40
Paypal Holdings Inc. 2.40% 10-01-2024 Callable 2024	United States	Corporate - Non Convertible	USD 10,000	13	13
Pembina Pipeline Corp. 2.56% 06-01-2023	Canada	Corporate - Non Convertible	50,000	50	50
Pisces Midco Inc. 8.00% 04-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 10,000	13	13
Pluto Acquisition I Inc. Term Loan 1st Lien F/R 06-18-2026	United States	Term Loans	USD 9,975	13	13
Polymer Process Holdings Inc. Term Loan 1st Lien F/R 04-29-2026	United States	Term Loans	USD 9,975	13	13
Province of Ontario F/R 08-21-2023	Canada	Provincial Governments	3,700,000	3,703	3,703
PS HoldCo LLC Term Loan 1st Lien F/R 03-02-2025	United States	Term Loans	USD 9,900	13	13
PSC Industrial Outsourcing LP Term Loan B 1st Lien F/R 10-05-2024	United States	Term Loans	USD 68,775	86	91
Royal Bank of Canada F/R 02-11-2020	Canada	Corporate - Non Convertible	1,500,000	1,507	1,503
Shields Health Solutions Holdings LLC Term Loan 1st Lien F/R 08-13-2026	United States	Term Loans	USD 10,000	13	13
SIRVA Worldwide Inc. Term Loan 1st Lien F/R 07-31-2025	United States	Term Loans	USD 17,663	23	23
SS&C Technologies Inc. Term Loan B5 1st Lien F/R 04-16-2025	United States	Term Loans	USD 9,899	13	13
Sun Life Financial Inc. F/R 11-23-2027 Callable 2022	Canada	Corporate - Non Convertible	20,000	20	20
Superior Plus LP 7.00% 07-15-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 10,000	13	14
Teneo Holdings LLC Term Loan B 1st Lien F/R 07-12-2025	United States	Term Loans	USD 10,000	13	13
Thor Industries Inc. Term Loan B 1st Lien F/R 11-01-2025	United States	Term Loans	USD 26,627	34	34
Titan Sub LLC Term Loan B 1st Lien F/R 09-19-2026	United States	Term Loans	USD 10,000	13	13
The Toronto-Dominion Bank F/R 09-17-2020	Canada	Corporate - Non Convertible	USD 1,300,000	1,711	1,723
Travelport Finance Luxembourg Sarl Term Loan 1st Lien F/R 03-18-2026	Luxembourg	Term Loans	USD 10,000	13	12
Ultra Clean Holdings Inc. Term Loan B 1st Lien F/R 08-27-2025	United States	Term Loans	USD 27,107	35	35
Unimin Corp. Term Loan 1st Lien F/R 05-21-2025	United States	Term Loans	USD 29,625	38	32
United States Treasury 0.50% 04-15-2024 Inflation Indexed	United States	Foreign Governments	USD 1,220,000	1,664	1,664
US Renal Care Inc. Term Loan B 1st Lien F/R 06-14-2026	United States	Term Loans	USD 10,000	13	13
VeriFone Systems Inc. Term Loan 1st Lien F/R 08-09-2025	United States	Term Loans	USD 9,925	13	13
Vertex Aerospace Services Corp. Term Loan B 1st Lien F/R 06-14-2025	United States	Term Loans	USD 9,875	13	13
Vungle Inc. Term Loan B 1st Lien F/R 09-30-2026	United States	Term Loans	USD 10,000	13	13
VVC Holding Corp. Term Loan B 1st Lien F/R 02-07-2026	United States	Term Loans	USD 49,750	65	66
Vyair Medical Inc. Term Loan B 1st Lien F/R 04-06-2025	United States	Term Loans	USD 19,750	24	24
Wells Fargo & Co. 3.19% 02-08-2024 Callable 2024	United States	Corporate - Non Convertible	20,000	20	21
Yak Access LLC Term Loan B 1st Lien F/R 06-26-2025	United States	Term Loans	USD 39,000	50	48
Zotec Partners LLC Term Loan 1st Lien F/R 02-09-2024	United States	Term Loans	USD 38,500	48	51
Total bonds				48,973	49,157



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MACKENZIE INVESTMENT GRADE FLOATING RATE FUND

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SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES					
AltaGas Ltd. Pfd. Series K	Canada	Energy	2,215	55	49
Brookfield Asset Management Inc. Pfd. Series 46	Canada	Real Estate	1,278	32	33
Brookfield Asset Management Inc. Pfd. Series 48	Canada	Real Estate	1,209	30	30
Brookfield Renewable Partners LP Pfd. Series 11	Canada	Utilities	3,897	97	92
TC Energy Corp. Pfd. Series 15	Canada	Energy	2,304	58	58
TransAlta Corp. Pfd. Series A	Canada	Utilities	4,428	59	48
Total equities				331	310
OPTIONS					
Options purchased (see schedule of options purchased)				4	1
Total options				4	1
Transaction costs				(20)	–
Total investments				49,288	49,468
Derivative instruments (see schedule of derivative instruments)					(56)
Cash and cash equivalents					1,387
Other assets less liabilities					155
Total net assets					50,954



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SUMMARY OF INVESTMENT PORTFOLIO

September 30, 2019		March 31, 2019	
Portfolio Allocation	% of NAV	Portfolio Allocation	% of NAV
Bonds	96.5	Bonds	96.3
<i>Bonds</i>	96.5	<i>Bonds</i>	96.3
<i>Purchased options</i>	0.0	<i>Purchased options</i>	0.0
Cash and short-term investments	2.7	Cash and short-term investments	2.8
Equities	0.6	Equities	0.6
Other assets (liabilities)	0.2	Other assets (liabilities)	0.3
Regional Allocation	% of NAV	Regional Allocation	% of NAV
Canada	69.8	Canada	76.0
United States	25.0	United States	18.8
Cash and short-term investments	2.7	Cash and short-term investments	2.8
United Kingdom	2.3	United Kingdom	2.1
Other assets (liabilities)	0.2	Other assets (liabilities)	0.3
Sector Allocation	% of NAV	Sector Allocation	% of NAV
Corporate bonds	56.3	Corporate bonds	65.6
Federal bonds	26.6	Federal bonds	27.1
Provincial bonds	7.3	Term loans	3.6
Foreign government bonds	3.3	Cash and short-term investments	2.8
Term loans	2.9	Other assets (liabilities)	0.3
Cash and short-term investments	2.7	Utilities	0.3
Utilities	0.3	Energy	0.2
Other assets (liabilities)	0.2	Financials	0.1
Energy	0.2		
Mortgage backed	0.1		
Financials	0.1		



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MACKENZIE INVESTMENT GRADE FLOATING RATE FUND

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SCHEDULE OF OPTIONS PURCHASED

As at September 30, 2019

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Paid (\$ 000s)	Fair Value (\$ 000s)
iShares iBoxx \$ High Yield Corporate Bond ETF	2	Put	Nov. 15, 2019	USD 84.00	1	–
iShares iBoxx \$ High Yield Corporate Bond ETF	3	Put	Nov. 15, 2019	USD 85.00	1	–
iShares iBoxx \$ High Yield Corporate Bond ETF	3	Put	Jan. 17, 2020	USD 85.00	1	–
iShares iBoxx \$ High Yield Corporate Bond ETF	3	Put	Mar. 20, 2020	USD 85.00	1	1
Total options					4	1



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MACKENZIE INVESTMENT GRADE FLOATING RATE FUND

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SCHEDULE OF DERIVATIVE INSTRUMENTS

As at September 30, 2019

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	386 Canadian dollar	(290) U.S. dollar	Oct. 25, 2019	(386)	(384)	2
A	674 Canadian dollar	(506) U.S. dollar	Nov. 8, 2019	(674)	(670)	4
A	938 Canadian dollar	(707) U.S. dollar	Nov. 15, 2019	(938)	(937)	1
AA	730 Canadian dollar	(551) U.S. dollar	Nov. 15, 2019	(730)	(729)	1
A	159 Canadian dollar	(120) U.S. dollar	Nov. 22, 2019	(159)	(159)	–
A	491 Canadian dollar	(370) U.S. dollar	Dec. 13, 2019	(491)	(489)	2
AA	1,592 Canadian dollar	(1,200) U.S. dollar	Dec. 13, 2019	(1,592)	(1,588)	4
A	265 Canadian dollar	(200) U.S. dollar	Jan. 10, 2020	(265)	(265)	–
Unrealized Gains						14
A	395 Canadian dollar	(300) U.S. dollar	Oct. 4, 2019	(395)	(397)	(2)
AA	395 Canadian dollar	(300) U.S. dollar	Oct. 4, 2019	(395)	(397)	(2)
AA	1,261 Canadian dollar	(969) U.S. dollar	Oct. 4, 2019	(1,261)	(1,282)	(21)
A	1,205 Canadian dollar	(925) U.S. dollar	Oct. 11, 2019	(1,205)	(1,225)	(20)
AA	1,261 Canadian dollar	(969) U.S. dollar	Oct. 25, 2019	(1,261)	(1,283)	(22)
A	495 Canadian dollar	(376) U.S. dollar	Nov. 1, 2019	(495)	(498)	(3)
Unrealized (Losses)						(70)
Total forward currency contracts						(56)
Total derivative instruments at fair value						(56)



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MACKENZIE INVESTMENT GRADE FLOATING RATE FUND

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NOTES TO FINANCIAL STATEMENTS

1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the six-month periods ended or as at September 30, 2019 and 2018, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 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 Financial Corporation, which itself is a subsidiary of Power Corporation of Canada. The Great-West Life Assurance Company, London Life Insurance Company and The Canada Life Assurance Company (collectively, the "Related Insurance Companies") are wholly owned by Great-West Lifeco Inc., which is also a subsidiary of Power Financial Corporation. The Related Insurance Companies are moving to formally amalgamate into one company, The Canada Life Assurance Company, effective January 1, 2020. This amalgamation is subject to a policyholder vote and other regulatory approvals. Investments in companies within the Power Group of companies held by the Fund are identified in the Schedule of Investments.

2. Basis of Preparation and Presentation

These unaudited interim financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including international Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). These financial statements were prepared using the same accounting policies, critical accounting judgements and estimates as applied in the Fund's most recent audited annual financial statements for the year ended March 31, 2019. 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 November 12, 2019.

3. Significant Accounting Policies

(a) Financial instruments

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

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

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

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

MACKENZIE INVESTMENT GRADE FLOATING RATE FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

FIXED INCOME FUND

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(a) Financial instruments (cont'd)

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

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

(b) Fair value measurement

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

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

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

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

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

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

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

The value of futures contracts or swaps fluctuates daily, and cash settlements made daily, where applicable, by the Fund are equal to the unrealized gains or losses on a "mark to market" basis. These unrealized gains or losses are recorded and reported as such until the Fund closes out the contract or the contract expires. Margin paid or deposited in respect of futures contracts or swaps is reflected as a receivable in the Statement of Financial Position – Margin on 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 September 30, 2019.

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NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(c) Income recognition

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

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

(d) Commissions and other portfolio transaction costs

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

(e) Securities lending, repurchase and reverse repurchase transactions

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

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

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

(f) Offsetting

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

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

(g) Foreign currency

The functional and presentation currency of the Fund is 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.



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NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

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

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

(k) Mergers

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

4. Critical Accounting Estimates and Judgments

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

Use of Estimates

Fair value of securities not quoted in an active market

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

Use of Judgments

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

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

Functional currency

The Fund's functional and presentation currency is the 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.

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.

NOTES TO FINANCIAL STATEMENTS

6. Management Fees and Operating Expenses

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

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

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

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

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

7. Fund's Capital

The capital of the Fund, which is comprised of the net assets attributable to securityholders, is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at September 30, 2019 and 2018 and securities issued, reinvested and redeemed for the periods are presented in the Statement of Changes in Financial Position. Mackenzie manages the capital of the Fund in accordance with the investment objectives as discussed in Note 9.

8. Financial Instruments Risk

i. Risk exposure and management

The Fund's investment activities expose it to a variety of financial risks, as defined in IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7"). The Fund's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, as at September 30, 2019, grouped by asset type, with geographic and sector information.

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

ii. Liquidity risk

Liquidity risk arises when the Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable securities. In 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.

NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

iv. Interest rate risk

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

v. Other price risk

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

vi. Credit risk

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

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

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

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

vii. Underlying funds

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

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

(a) Fund Formation and Series Information

Date of Formation April 8, 2014

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

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

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

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

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

Series O securities are offered only to investors investing a minimum of \$500,000 who are enrolled in Mackenzie Portfolio Architecture Service or Open Architecture Service; certain institutional investors; investors in a qualified group plan, and certain qualifying employees of Mackenzie and its subsidiaries.

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

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

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

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

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

Series F5, Series FB5, Series PWFB5, Series PWT5, Series S5 and Series T5 securities are no longer available for sale. Before January 1, 2019, Series F5, Series PWT5, Series S5 and Series T5 securities were known as Series F6, Series PWT6, Series S6 and Series T6, respectively.

Series PWF and Series PWF6 securities are no longer available for sale. Effective June 1, 2018, Series PWF and Series PWF6 securities were consolidated into Series F and Series F6 securities (now Series F5), respectively.

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



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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 (\$)	
				Sep. 30, 2019	Mar. 31, 2019
Series A	April 23, 2014	1.25% ⁽¹⁰⁾	0.17%	9.95	9.93
Series AR	November 13, 2014	1.25% ⁽¹⁰⁾	0.20%	10.04	10.03
Series D	April 23, 2014	0.80% ⁽¹¹⁾	0.15%	10.02	10.01
Series F	April 23, 2014	0.40% ⁽⁴⁾	0.15%	10.02	10.01
Series F5 ⁽⁹⁾	May 22, 2014	0.40% ⁽⁴⁾	0.15%	11.70	11.87
Series FB	October 26, 2015	0.55% ⁽¹²⁾	0.17%	10.02	10.01
Series FB5	October 26, 2015	0.55% ⁽¹²⁾	0.17%	13.24	13.45
Series O	April 28, 2014	— ⁽¹⁾	— *	9.63	9.61
Series PW	April 25, 2014	0.90% ⁽⁷⁾	0.15%	9.93	9.93
Series PWF	None issued ⁽⁵⁾	0.55%	0.15%	—	—
Series PWF6	None issued ⁽⁶⁾	0.55%	0.15%	—	—
Series PWF6	April 3, 2017	0.40% ⁽⁸⁾	0.15%	10.02	10.00
Series PWF6	April 3, 2017	0.40% ⁽⁸⁾	0.15%	13.82	13.99
Series PWR	April 1, 2019	0.90% ⁽¹³⁾	0.15%	10.01	—
Series PWT5 ⁽⁹⁾	April 3, 2017	0.90% ⁽⁷⁾	0.15%	13.35	13.58
Series PWX	June 4, 2014	— ⁽²⁾	— ⁽²⁾	9.63	9.62
Series SC	April 23, 2014	1.05% ⁽³⁾	0.17%	9.98	9.97
Series S5 ⁽⁹⁾	May 13, 2014	1.05% ⁽³⁾	0.17%	11.34	11.55
Series T5 ⁽⁹⁾	April 25, 2014	1.25% ⁽¹⁰⁾	0.17%	11.14	11.36

* 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 August 2, 2019, the management fee for this series was charged to the Fund at a rate of 1.10%.

(4) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 0.60%. From June 1 through September 27, 2018, the management fee for this series was charged to the Fund at a rate of 0.55%. From September 28, 2018 through August 1, 2019, the management fee for this series was charged to the Fund at a rate of 0.50%.

(5) The series' original start date was April 23, 2014. All securities in the series were consolidated into Series F on June 1, 2018.

(6) The series' original start date was April 3, 2017. All securities in the series were consolidated into Series F6 (now Series F5) on June 1, 2018.

(7) Prior to September 28, 2018, the management fee for this series was charged to the Fund at a rate of 1.05%. From September 28, 2018 through August 1, 2019, the management fee for this series was charged to the Fund at a rate of 1.00%.

(8) Prior to September 28, 2018, the management fee for this series was charged to the Fund at a rate of 0.55%. From September 28, 2018 through August 1, 2019, the management fee for this series was charged to the Fund at a rate of 0.50%.

(9) Before January 1, 2019, Series F5, Series PWT5, Series S5 and Series T5 securities were known as Series F6, Series PWT6, Series S6 and Series T6, respectively.

(10) Prior to August 2, 2019, the management fee for this series was charged to the Fund at a rate of 1.40%.

(11) Prior to August 2, 2019, the management fee for Series D was charged to the Fund at a rate of 0.85%.

(12) Prior to August 2, 2019, the management fee for this series was charged to the Fund at a rate of 0.60%.

(13) Prior to August 2, 2019, the management fee for Series PWR was charged to the Fund at a rate of 1.05%.

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

(b) Investments by Mackenzie and Affiliates

As at September 30, 2019, Mackenzie had an investment of \$15 (March 31, 2019 – \$13) in the Fund.

(c) Loss Carryforwards

As at the last taxation year-end, the Fund has capital losses of \$1,486 which may be carried forward indefinitely to reduce future realized capital gains. There were no non-capital losses available to carry forward for tax purposes.

(d) Securities Lending

The value of securities loaned and collateral received from securities lending at September 30, 2019 and March 31, 2019, were as follows:

	September 30, 2019	March 31, 2019
	(\$)	(\$)
Value of securities loaned	15,174	9,319
Value of collateral received	16,047	9,787

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 September 30, 2019 and 2018 is as follows:

	2019		2018	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	5	100.0	–	–
Tax withheld	–	–	–	–
	5	100.0	–	–
Payments to Securities Lending Agent	(1)	(20.0)	–	–
Securities lending income	4	80.0	–	–



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

(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.

	September 30, 2019			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	5	(1)	–	4
Unrealized losses on derivative contracts	(47)	1	–	(46)
Liability for options written	–	–	–	–
Total	(42)	–	–	(42)

	March 31, 2019			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	5	–	–	5
Unrealized losses on derivative contracts	(28)	–	–	(28)
Liability for options written	–	–	–	–
Total	(23)	–	–	(23)

(f) Risks Associated with Financial Instruments

i. Risk exposure and management

The Fund seeks current income by investing primarily in investment grade floating-rate debt obligations of issuers anywhere in the world, as well as investment grade debt obligations and other debt instruments. The Fund may hold up to 30% of its assets in foreign investments.

ii. Currency risk

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

Currency	September 30, 2019			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	10,259	8	(10,303)	(36)
Total	10,259	8	(10,303)	(36)
% of Net Assets	20.1	–	(20.2)	(0.1)

Currency	March 31, 2019			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	10,061	1,122	(11,039)	144
Total	10,061	1,122	(11,039)	144
% of Net Assets	17.8	2.0	(19.5)	0.3

* Includes both monetary and non-monetary financial instruments



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

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

ii. Currency risk (cont'd)

As at September 30, 2019, had the Canadian dollar increased or decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have increased or decreased by approximately \$2 or 0.0% of total net assets (March 31, 2019 – decreased or increased \$7 or 0.0%). In practice, the actual trading results may differ and the difference could be material.

iii. Interest rate risk

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

Term to Maturity	September 30, 2019 (\$)		March 31, 2019 (\$)	
	Bonds	Derivative Instruments	Bonds	Derivative Instruments
Less than 1 year	13,597	–	20,650	–
1-5 years	34,165	–	30,920	–
5-10 years	1,395	–	2,864	–
Greater than 10 years	–	–	10	–
Total	49,157	–	54,444	–

As at September 30, 2019, 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 \$332 or 0.7% (March 31, 2019 – \$242 or 0.4%) 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 \$333 or 0.7% (March 31, 2019 – \$245 or 0.4%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

iv. Other price risk

As at September 30, 2019 and March 31, 2019, the Fund did not have a significant exposure to price risk.

v. Credit risk

The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum exposure to any one debt issuer as at September 30, 2019, was 26.6% of the net assets of the Fund (March 31, 2019 – 27.1%).

As at September 30, 2019 and March 31, 2019, debt securities by credit rating are as follows:

Bond Rating*	September 30, 2019	March 31, 2019
	% of Net Assets	% of Net Assets
AAA	28.8	29.0
AA	17.3	13.1
A	25.3	25.0
BBB	22.2	22.6
Less than BBB	2.7	3.3
Unrated	0.2	3.3
Total	96.5	96.3

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

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

(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.

	September 30, 2019				March 31, 2019			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	49,157	–	49,157	–	54,444	–	54,444
Equities	310	–	–	310	324	–	–	324
Options	–	1	–	1	1	–	–	1
Derivative assets	–	14	–	14	–	14	–	14
Derivative liabilities	–	(70)	–	(70)	–	(96)	–	(96)
Short-term investments	–	1,371	–	1,371	–	1,563	–	1,563
Total	310	50,473	–	50,783	325	55,925	–	56,250

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

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

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