

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## MANAGEMENT REPORT

### Management's Responsibility for Financial Reporting

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

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

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

On behalf of Mackenzie Financial Corporation,  
Manager of the Fund



Barry McNerney  
President and Chief Executive Officer



Terry Rountes  
Chief Financial Officer, Funds

June 3, 2019

## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at March 31, 2019 and 2018, 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, 2019 and 2018, and its financial performance and its cash flows for the periods then ended, as indicated in Note 1, in accordance with International Financial Reporting Standards ("IFRS").

### Basis for Opinion

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

### Other Information

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

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.



Chartered Professional Accountants  
Licensed Public Accountants  
Toronto, Ontario  
June 3, 2019



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# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## STATEMENTS OF FINANCIAL POSITION

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

	2019	2018
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Investments at fair value	750,184	929,678
Cash and cash equivalents	17,572	208
Accrued interest receivable	2,167	2,259
Dividends receivable	544	1,111
Accounts receivable for investments sold	3,333	3,055
Accounts receivable for securities issued	14	34
Due from manager	1	11
Margin on derivatives	1,858	1,461
Unrealized gains on derivative contracts	705	444
<b>Total assets</b>	<b>776,378</b>	<b>938,261</b>

### LIABILITIES

<b>Current liabilities</b>		
Accounts payable for investments purchased	10,219	1,364
Accounts payable for securities redeemed	682	1,759
Distribution Payable	1	–
Due to manager	–	105
Unrealized losses on derivative contracts	1,443	3,651
<b>Total liabilities</b>	<b>12,345</b>	<b>6,879</b>
<b>Net assets attributable to securityholders</b>	<b>764,033</b>	<b>931,382</b>

### Net assets attributable to securityholders per series (note 3)

Series A	391,506	628,430
Series AR	37,060	34,922
Series D	414	198
Series E	–	9
Series F	30,944	24,035
Series F5	43	–
Series F8	3,369	1,154
Series FB	388	729
Series FB5	1	16
Series G	2,921	3,839
Series I	7,666	7,950
Series J	736	811
Series O	40,278	44,763
Series O5	1	1
Series PW	203,799	113,730
Series PWF	–	10,788
Series PWF8	–	3,014
Series PWFB	941	315
Series PWFB5	1	1
Series PWT5	3,096	1,974
Series PWT8	9,331	7,456
Series PWX	2,254	2,944
Series PWX8	175	174

	2019	2018
	\$	\$
Series R	11,286	14,251
Series T5	2,445	4,965
Series T8	15,378	24,913
<b>Net assets attributable to securityholders per security (note 3)</b>		
Series A	9.16	9.35
Series AR	12.38	12.65
Series D	9.37	9.48
Series E	–	10.74
Series F	14.69	15.01
Series F5	13.80	–
Series F8	7.49	8.19
Series FB	9.69	9.91
Series FB5	12.82	13.62
Series G	12.57	12.84
Series I	9.18	9.41
Series J	11.23	11.48
Series O	15.35	15.69
Series O5	11.60	12.37
Series PW	9.85	10.06
Series PWF	–	9.88
Series PWF8	–	10.81
Series PWFB	9.25	9.46
Series PWFB5	12.90	13.68
Series PWT5	12.46	13.42
Series PWT8	9.47	10.44
Series PWX	9.48	9.69
Series PWX8	10.11	10.98
Series R	14.94	15.28
Series T5	9.01	9.72
Series T8	5.95	6.58

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



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# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## STATEMENTS OF COMPREHENSIVE INCOME

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

	2019	2018		2019	2018
	\$	\$		\$	\$
<b>Income</b>			Series PWFB5	(1)	–
Dividends	11,818	15,185	Series PWT5	(43)	13
Interest income	12,867	14,075	Series PWT8	(87)	25
Other changes in fair value of investments and other net assets			Series PWX	61	55
Net realized gain (loss)	25,485	33,331	Series PWX8	4	4
Net unrealized gain (loss)	(28,702)	(42,436)	Series R	309	278
Securities lending income	452	422	Series T5	42	(41)
Fee rebate income	11	2	Series T8	173	(191)
<b>Total income (loss)</b>	<b>21,931</b>	<b>20,579</b>	<b>Increase (decrease) in net assets attributable to securityholders from operations per security</b>		
<b>Expenses (note 6)</b>			Series A	0.09	(0.05)
Management fees	15,196	19,160	Series AR	0.02	(0.07)
Management fee rebates	(20)	(71)	Series D	0.56	(0.01)
Administration fees	1,672	2,144	Series E	0.31	0.07
Interest charges	12	6	Series F	0.07	0.12
Commissions and other portfolio transaction costs	600	428	Series F5	(0.16)	–
Independent Review Committee fees	3	4	Series F8	(0.09)	0.11
Other	3	4	Series FB	0.39	0.09
<b>Expenses before amounts absorbed by Manager</b>	<b>17,466</b>	<b>21,675</b>	Series FB5	1.63	0.10
Expenses absorbed by Manager	–	–	Series G	0.13	0.01
<b>Net expenses</b>	<b>17,466</b>	<b>21,675</b>	Series I	0.12	0.03
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>4,465</b>	<b>(1,096)</b>	Series J	0.08	0.02
Foreign withholding taxes	760	1,312	Series O	0.37	0.29
Foreign income taxes paid (recovered)	–	–	Series O5	0.29	1.19
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>3,705</b>	<b>(2,408)</b>	Series PW	(0.16)	0.01
<b>Increase (decrease) in net assets attributable to securityholders from operations per series</b>			Series PWF	0.29	0.09
Series A	4,589	(3,668)	Series PWF8	0.31	0.12
Series AR	43	(172)	Series PWFB	0.01	(0.04)
Series D	14	1	Series PWFB5	(0.31)	0.12
Series E	–	–	Series PWT5	(0.18)	0.10
Series F	148	183	Series PWT8	(0.09)	0.03
Series F5	(1)	–	Series PWX	0.22	0.15
Series F8	(38)	18	Series PWX8	0.25	0.23
Series FB	16	4	Series R	0.37	0.28
Series FB5	(1)	2	Series T5	0.12	(0.07)
Series G	34	3	Series T8	0.06	(0.05)
Series I	100	23			
Series J	5	2			
Series O	1,020	818			
Series O5	–	7			
Series PW	(3,081)	104			
Series PWF	310	92			
Series PWF8	88	32			
Series PWFB	1	–			

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Investments

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	2019		2018		2019		2018		2019		2018	
	Series A		Series AR		Series D		Series E		Series F			
	\$		\$		\$		\$		\$			
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>												
<b>Beginning of period</b>	628,430	872,583	34,922	31,821	198	214	9	11	24,035	28,779		
Increase (decrease) in net assets from operations	4,589	(3,668)	43	(172)	14	1	-	-	148	183		
Distributions paid to securityholders:												
Investment income	(3,275)	(6,605)	(263)	(311)	(4)	(3)	-	-	(574)	(462)		
Capital gains	(5,578)	(26,167)	(468)	(1,298)	(3)	(8)	-	-	(533)	(1,032)		
Return of capital	-	-	-	-	-	-	-	-	-	-		
Management fee rebates	-	-	-	-	-	-	-	-	-	-		
Total distributions paid to securityholders	(8,853)	(32,772)	(731)	(1,609)	(7)	(11)	-	-	(1,107)	(1,494)		
Security transactions:												
Proceeds from securities issued	38,190	67,295	6,041	6,554	215	14	-	1	17,288	8,323		
Reinvested distributions	8,736	32,360	728	1,603	6	10	-	-	972	1,329		
Payments on redemption of securities	(279,586)	(307,368)	(3,943)	(3,275)	(12)	(30)	(9)	(3)	(10,392)	(13,085)		
Total security transactions	(232,660)	(207,713)	2,826	4,882	209	(6)	(9)	(2)	7,868	(3,433)		
<b>Total increase (decrease) in net assets</b>	<b>(236,924)</b>	<b>(244,153)</b>	<b>2,138</b>	<b>3,101</b>	<b>216</b>	<b>(16)</b>	<b>(9)</b>	<b>(2)</b>	<b>6,909</b>	<b>(4,744)</b>		
<b>End of period</b>	<b>391,506</b>	<b>628,430</b>	<b>37,060</b>	<b>34,922</b>	<b>414</b>	<b>198</b>	<b>-</b>	<b>9</b>	<b>30,944</b>	<b>24,035</b>		

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

	Securities		Securities		Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	67,176	88,468	2,761	2,387	21	21	1	1	1,601	1,818
Issued	4,108	6,940	484	501	23	2	-	-	1,131	533
Reinvested distributions	1,025	3,376	63	124	1	1	-	-	69	87
Redeemed	(29,552)	(31,608)	(315)	(251)	(1)	(3)	(1)	-	(694)	(837)
<b>Securities outstanding – end of period</b>	<b>42,757</b>	<b>67,176</b>	<b>2,993</b>	<b>2,761</b>	<b>44</b>	<b>21</b>	<b>-</b>	<b>1</b>	<b>2,107</b>	<b>1,601</b>

	Series F5		Series F8		Series FB		Series FB5		Series G	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	-	-	1,154	1,436	729	196	16	16	3,839	4,248
Increase (decrease) in net assets from operations	(1)	-	(38)	18	16	4	(1)	2	34	3
Distributions paid to securityholders:										
Investment income	-	-	(67)	(24)	(6)	(8)	-	-	(40)	(57)
Capital gains	(1)	-	(59)	(52)	(7)	(16)	-	(1)	(46)	(159)
Return of capital	(1)	-	(221)	(88)	-	-	-	(1)	-	-
Management fee rebates	-	-	-	-	-	-	-	-	-	-
Total distributions paid to securityholders	(2)	-	(347)	(164)	(13)	(24)	-	(2)	(86)	(216)
Security transactions:										
Proceeds from securities issued	57	-	3,159	320	263	696	6	-	95	121
Reinvested distributions	2	-	194	97	13	24	-	1	86	216
Payments on redemption of securities	(13)	-	(753)	(553)	(620)	(167)	(20)	(1)	(1,047)	(533)
Total security transactions	46	-	2,600	(136)	(344)	553	(14)	-	(866)	(196)
<b>Total increase (decrease) in net assets</b>	<b>43</b>	<b>-</b>	<b>2,215</b>	<b>(282)</b>	<b>(341)</b>	<b>533</b>	<b>(15)</b>	<b>-</b>	<b>(918)</b>	<b>(409)</b>
<b>End of period</b>	<b>43</b>	<b>-</b>	<b>3,369</b>	<b>1,154</b>	<b>388</b>	<b>729</b>	<b>1</b>	<b>16</b>	<b>2,921</b>	<b>3,839</b>

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

	Securities		Securities		Securities		Securities		Securities	
<b>Securities outstanding – beginning of period</b>	-	-	141	155	74	19	1	1	299	314
Issued	4	-	381	37	26	69	-	-	7	9
Reinvested distributions	-	-	26	11	1	2	-	-	7	16
Redeemed	(1)	-	(98)	(62)	(61)	(16)	(1)	-	(81)	(40)
<b>Securities outstanding – end of period</b>	<b>3</b>	<b>-</b>	<b>450</b>	<b>141</b>	<b>40</b>	<b>74</b>	<b>-</b>	<b>1</b>	<b>232</b>	<b>299</b>

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

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

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

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

	2019		2018		2019		2018		2019		2018	
	Series I		Series J		Series O		Series O5		Series PW			
	\$		\$		\$		\$		\$			
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>												
<b>Beginning of period</b>	7,950	8,121	811	1,276	44,763	49,102	1	593	113,730	42,168		
Increase (decrease) in net assets from operations	100	23	5	2	1,020	818	–	7	(3,081)	104		
Distributions paid to securityholders:												
Investment income	(115)	(171)	(7)	(13)	(1,079)	(1,274)	–	–	(1,976)	(1,282)		
Capital gains	(113)	(318)	(10)	(46)	(765)	(1,981)	–	–	(2,905)	(4,486)		
Return of capital	–	–	–	–	–	–	–	(3)	–	–		
Management fee rebates	–	(22)	(1)	(1)	–	–	–	–	(15)	(39)		
Total distributions paid to securityholders	(228)	(511)	(18)	(60)	(1,844)	(3,255)	–	(3)	(4,896)	(5,807)		
Security transactions:												
Proceeds from securities issued	496	589	–	–	2,028	2,028	–	–	147,200	109,746		
Reinvested distributions	227	508	18	60	1,840	3,251	–	1	4,831	5,711		
Payments on redemption of securities	(879)	(780)	(80)	(467)	(7,529)	(7,181)	–	(597)	(53,985)	(38,192)		
Total security transactions	(156)	317	(62)	(407)	(3,661)	(1,902)	–	(596)	98,046	77,265		
<b>Total increase (decrease) in net assets</b>	<b>(284)</b>	<b>(171)</b>	<b>(75)</b>	<b>(465)</b>	<b>(4,485)</b>	<b>(4,339)</b>	<b>–</b>	<b>(592)</b>	<b>90,069</b>	<b>71,562</b>		
<b>End of period</b>	<b>7,666</b>	<b>7,950</b>	<b>736</b>	<b>811</b>	<b>40,278</b>	<b>44,763</b>	<b>1</b>	<b>1</b>	<b>203,799</b>	<b>113,730</b>		

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	845	812	71	105	2,853	2,965	–	44	11,304	3,977
Issued	58	62	–	–	131	125	–	–	14,265	10,434
Reinvested distributions	26	50	2	5	124	203	–	–	524	554
Redeemed	(94)	(79)	(7)	(39)	(483)	(440)	–	(44)	(5,404)	(3,661)
<b>Securities outstanding – end of period</b>	<b>835</b>	<b>845</b>	<b>66</b>	<b>71</b>	<b>2,625</b>	<b>2,853</b>	<b>–</b>	<b>–</b>	<b>20,689</b>	<b>11,304</b>

	Series PWF		Series PWF8		Series PWF8		Series PWF85		Series PWF85	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	10,788	4,679	3,014	3,161	315	–	1	–	1,974	–
Increase (decrease) in net assets from operations	310	92	88	32	1	–	(1)	–	(43)	13
Distributions paid to securityholders:										
Investment income	–	(205)	–	(63)	(14)	(3)	–	–	(32)	(21)
Capital gains	–	(424)	–	(125)	(14)	(4)	–	–	(45)	(82)
Return of capital	–	–	(42)	(216)	–	–	–	–	(163)	(113)
Management fee rebates	(2)	(5)	(1)	(1)	–	–	–	–	–	(1)
Total distributions paid to securityholders	(2)	(634)	(43)	(405)	(28)	(7)	–	–	(240)	(217)
Security transactions:										
Proceeds from securities issued	500	8,568	1	234	830	331	16	1	2,126	2,417
Reinvested distributions	1	566	25	318	27	6	–	–	103	139
Payments on redemption of securities	(11,597)	(2,483)	(3,085)	(326)	(204)	(15)	(15)	–	(824)	(378)
Total security transactions	(11,096)	6,651	(3,059)	226	653	322	1	1	1,405	2,178
<b>Total increase (decrease) in net assets</b>	<b>(10,788)</b>	<b>6,109</b>	<b>(3,014)</b>	<b>(147)</b>	<b>626</b>	<b>315</b>	<b>–</b>	<b>1</b>	<b>1,122</b>	<b>1,974</b>
<b>End of period</b>	<b>–</b>	<b>10,788</b>	<b>–</b>	<b>3,014</b>	<b>941</b>	<b>315</b>	<b>1</b>	<b>1</b>	<b>3,096</b>	<b>1,974</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	1,092	449	279	259	33	–	–	–	147	–
Issued	50	830	–	19	88	34	1	–	156	163
Reinvested distributions	–	56	2	28	3	1	–	–	9	10
Redeemed	(1,142)	(243)	(281)	(27)	(22)	(2)	(1)	–	(64)	(26)
<b>Securities outstanding – end of period</b>	<b>–</b>	<b>1,092</b>	<b>–</b>	<b>279</b>	<b>102</b>	<b>33</b>	<b>–</b>	<b>–</b>	<b>248</b>	<b>147</b>

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

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

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

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

	2019		2018		2019		2018		2019		2018	
	Series PWT8		Series PWX		Series PWX8		Series R					
	\$		\$		\$		\$					
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>												
<b>Beginning of period</b>	7,456	549	2,944	4,326	174	175	14,251	17,520				
Increase (decrease) in net assets from operations	(87)	25	61	55	4	4	309	278				
Distributions paid to securityholders:												
Investment income	(94)	(81)	(65)	(101)	(4)	(6)	(318)	(430)				
Capital gains	(134)	(296)	(44)	(127)	(3)	(8)	(225)	(658)				
Return of capital	(748)	(604)	–	–	(11)	(9)	–	–				
Management fee rebates	(1)	(2)	–	–	–	–	–	–				
Total distributions paid to securityholders	(977)	(983)	(109)	(228)	(18)	(23)	(543)	(1,088)				
Security transactions:												
Proceeds from securities issued	4,739	8,437	41	357	–	10	392	456				
Reinvested distributions	506	558	109	228	18	23	274	759				
Payments on redemption of securities	(2,306)	(1,130)	(792)	(1,794)	(3)	(15)	(3,397)	(3,674)				
Total security transactions	2,939	7,865	(642)	(1,209)	15	18	(2,731)	(2,459)				
<b>Total increase (decrease) in net assets</b>	<b>1,875</b>	<b>6,907</b>	<b>(690)</b>	<b>(1,382)</b>	<b>1</b>	<b>(1)</b>	<b>(2,965)</b>	<b>(3,269)</b>				
<b>End of period</b>	<b>9,331</b>	<b>7,456</b>	<b>2,254</b>	<b>2,944</b>	<b>175</b>	<b>174</b>	<b>11,286</b>	<b>14,251</b>				

	Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>								
<b>Securities outstanding – beginning of period</b>	714	46	304	423	16	14	933	1,087
Issued	449	717	4	36	–	1	25	30
Reinvested distributions	53	51	12	23	2	2	20	48
Redeemed	(230)	(100)	(82)	(178)	(1)	(1)	(223)	(232)
<b>Securities outstanding – end of period</b>	<b>986</b>	<b>714</b>	<b>238</b>	<b>304</b>	<b>17</b>	<b>16</b>	<b>755</b>	<b>933</b>

	Series T5		Series T8		Total	
	\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>						
<b>Beginning of period</b>	4,965	8,447	24,913	37,690	931,382	1,117,111
Increase (decrease) in net assets from operations	42	(41)	173	(191)	3,705	(2,408)
Distributions paid to securityholders:						
Investment income	(22)	(55)	(129)	(262)	(8,084)	(11,437)
Capital gains	(37)	(213)	(218)	(1,036)	(11,208)	(38,537)
Return of capital	(182)	(332)	(1,447)	(2,218)	(2,815)	(3,584)
Management fee rebates	–	–	–	–	(20)	(71)
Total distributions paid to securityholders	(241)	(600)	(1,794)	(3,516)	(22,127)	(53,629)
Security transactions:						
Proceeds from securities issued	404	1,141	1,204	3,906	225,291	221,545
Reinvested distributions	112	352	937	2,186	19,765	50,306
Payments on redemption of securities	(2,837)	(4,334)	(10,055)	(15,162)	(393,983)	(401,543)
Total security transactions	(2,321)	(2,841)	(7,914)	(9,070)	(148,927)	(129,692)
<b>Total increase (decrease) in net assets</b>	<b>(2,520)</b>	<b>(3,482)</b>	<b>(9,535)</b>	<b>(12,777)</b>	<b>(167,349)</b>	<b>(185,729)</b>
<b>End of period</b>	<b>2,445</b>	<b>4,965</b>	<b>15,378</b>	<b>24,913</b>	<b>764,033</b>	<b>931,382</b>

	Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>				
<b>Securities outstanding – beginning of period</b>	511	779	3,789	5,025
Issued	41	109	192	537
Reinvested distributions	13	35	155	314
Redeemed	(294)	(412)	(1,552)	(2,087)
<b>Securities outstanding – end of period</b>	<b>271</b>	<b>511</b>	<b>2,584</b>	<b>3,789</b>

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

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## STATEMENTS OF CASH FLOWS

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

	2019	2018
	\$	\$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to securityholders from operations	3,705	(2,408)
Adjustments for:		
Net realized loss (gain) on investments	(34,319)	(24,644)
Change in net unrealized loss (gain) on investments	28,630	42,451
Distributions received in-kind from underlying funds	(161)	(768)
Purchase of investments	(409,791)	(451,421)
Proceeds from sale and maturity of investments	601,254	589,728
Change in accrued interest receivable	92	955
Change in dividends receivable	567	(248)
Change in due from manager	10	(11)
Change in due to manager	(105)	105
Change in margin on derivatives	(397)	(615)
<b>Net cash from operating activities</b>	<b>189,485</b>	<b>153,124</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	58,824	66,068
Payments on redemption of securities	(228,573)	(245,156)
Distributions paid net of reinvestments	(2,361)	(3,323)
<b>Net cash from financing activities</b>	<b>(172,110)</b>	<b>(182,411)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>17,375</b>	<b>(29,287)</b>
Cash and cash equivalents at beginning of period	208	29,483
Effect of exchange rate fluctuations on cash and cash equivalents	(11)	12
<b>Cash and cash equivalents at end of period</b>	<b>17,572</b>	<b>208</b>
Cash	5,185	–
Cash equivalents	12,387	460
Bank indebtedness	–	(252)
<b>Cash and cash equivalents at end of period</b>	<b>17,572</b>	<b>208</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	12,385	14,921
Foreign taxes paid	760	1,312
Interest received	12,959	14,772
Interest paid	12	6

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



**MACKENZIE**  
Investments



# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## SCHEDULE OF INVESTMENTS

As at March 31, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS</b>					
407 International Inc. 3.14% 03-06-2030 Callable 2029	Canada	Corporate - Non Convertible	100,000	100	103
407 International Inc. 3.43% 06-01-2033 MTN	Canada	Corporate - Non Convertible	1,140,000	1,148	1,190
407 International Inc. 3.65% 09-08-2044 Callable MTN	Canada	Corporate - Non Convertible	190,000	191	199
407 International Inc. 3.60% 05-21-2047 Callable	Canada	Corporate - Non Convertible	800,000	801	833
407 International Inc. 3.72% 05-11-2048 Callable 2047	Canada	Corporate - Non Convertible	840,000	840	893
407 International Inc. 3.67% 03-08-2049 Callable 2048	Canada	Corporate - Non Convertible	230,000	230	242
Acproducts Inc. Term Loan 1st Lien F/R 02-14-2024	United States	Term Loans	USD 200,000	250	255
Aegis Toxicology Sciences Corp. Term Loan B 1st Lien F/R 05-09-2025	United States	Term Loans	USD 69,650	88	90
AerCap Ireland Capital Designated Activity Co. 3.30% 01-23-2023 Callable 2022	Ireland	Corporate - Non Convertible	USD 370,000	459	487
AerCap Ireland Capital Designated Activity Co. 4.45% 10-01-2025 Callable 2025	Netherlands	Corporate - Non Convertible	USD 240,000	313	325
Al Ladder Luxembourg Term Loan B 1st Lien F/R 05-04-2025	United States	Term Loans	USD 131,646	164	173
AIMCo Realty Investors LP 2.27% 06-26-2024 Callable 2024	Canada	Corporate - Non Convertible	660,000	662	653
AIMCo Realty Investors LP 3.04% 06-01-2028 Callable 2028	Canada	Corporate - Non Convertible	370,000	370	378
AL Midcoast Holdings LLC Term Loan B 1st Lien F/R 06-28-2025	United States	Term Loans	USD 169,150	222	226
Alcami Carolinas Corp. Term Loan 1st Lien F/R 07-06-2025	United States	Term Loans	USD 149,250	195	198
Alchemy US Holdco LLC Term Loan B 1st Lien F/R 10-01-2025	United States	Term Loans	USD 129,188	163	173
Algonquin Power & Utilities Corp. 4.09% 02-17-2027 Callable	Canada	Corporate - Non Convertible	1,010,000	1,011	1,047
Allegiant Travel Co. Term Loan B 1st Lien F/R 01-29-2024	United States	Term Loans	USD 170,000	221	227
AltaLink LP 3.72% 12-03-2046 Callable MTN	Canada	Corporate - Non Convertible	415,000	414	443
Anheuser-Busch InBev Finance Inc. 2.60% 05-15-2024 Callable 2024	Belgium	Corporate - Non Convertible	570,000	545	563
Anheuser-Busch InBev Worldwide Inc. 4.75% 01-23-2029 Callable 2028	Belgium	Corporate - Non Convertible	USD 80,000	106	114
Aroundtown SA 4.63% 09-18-2025 Callable 2025	Germany	Corporate - Non Convertible	480,000	478	496
Artis Real Estate Investment Trust 3.68% 02-22-2021	Canada	Corporate - Non Convertible	230,000	230	232
AT&T Inc. 2.85% 05-25-2024	United States	Corporate - Non Convertible	310,000	308	306
AT&T Inc. 4.00% 11-25-2025 Callable 2025	United States	Corporate - Non Convertible	780,000	784	806
AT&T Inc. 4.35% 03-01-2029 Callable 2028	United States	Corporate - Non Convertible	USD 190,000	251	259
Avolon Holdings Funding Ltd. 5.25% 05-15-2024 Callable 2024 144A	Ireland	Corporate - Non Convertible	USD 40,000	53	55
Ball Metalpack Finco LLC Term Loan B 1st Lien F/R 07-26-2025	United States	Term Loans	USD 109,175	142	146
Bank of America Corp. 3.95% 04-21-2025	United States	Corporate - Non Convertible	USD 270,000	328	368
Bank of Montreal 2.89% 06-20-2023	Canada	Corporate - Non Convertible	680,000	680	695
Bank of Montreal 2.85% 03-06-2024	Canada	Corporate - Non Convertible	390,000	390	394
Bank of Montreal 2.70% 09-11-2024 DPNT	Canada	Corporate - Non Convertible	130,000	129	132
Bank of Montreal 3.19% 03-01-2028	Canada	Corporate - Non Convertible	640,000	635	671
The Bank of Nova Scotia 2.29% 06-28-2024	Canada	Corporate - Non Convertible	680,000	669	676
Bausch Health Cos Inc. Term Loan B 1st Lien F/R 05-24-2025	United States	Term Loans	USD 92,500	119	123
bcIMC Realty Corp. 3.00% 03-31-2027 Callable 2026	Canada	Corporate - Non Convertible	980,000	998	1,005
Beacon Escrow Corp. 4.88% 11-01-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 75,000	88	95
Bell Canada 3.80% 08-21-2028 Callable 2028	Canada	Corporate - Non Convertible	1,050,000	1,043	1,096
Bell Canada 4.45% 02-27-2047 Callable	Canada	Corporate - Non Convertible	1,130,000	1,125	1,181
Boardriders Inc. Term Loan B 1st Lien F/R 03-21-2024	United States	Term Loans	USD 376,850	479	501
BP Capital Markets PLC 3.47% 05-15-2025	United Kingdom	Corporate - Non Convertible	740,000	741	771
Brookfield Infrastructure Finance ULC 4.20% 09-11-2028 Callable 2028	Canada	Corporate - Non Convertible	680,000	678	701



**MACKENZIE**  
Investments

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Brookfield Renewable Energy Partners ULC 3.75% 06-02-2025 Callable 2025	Canada	Corporate - Non Convertible	800,000	799	823
Brookfield Renewable Energy Partners ULC 3.63% 01-15-2027 Callable 2026	Canada	Corporate - Non Convertible	310,000	310	313
Brookfield Renewable Partners ULC 4.25% 01-15-2029 Callable 2028	Canada	Corporate - Non Convertible	550,000	550	570
Bruce Power LP 3.00% 06-21-2024 Callable 2024	Canada	Corporate - Non Convertible	660,000	663	661
Bulldog Purchaser Inc. Delayed Draw Term Loan 1st Lien F/R 08-31-2025	United States	Term Loans	USD 5,333	7	7
Bulldog Purchaser Inc. Term Loan B 1st Lien F/R 08-31-2025	United States	Term Loans	USD 106,330	139	140
C&D Technologies Inc. Term Loan B 1st Lien F/R 12-13-2025	United States	Term Loans	USD 129,675	152	161
Calceus Acquisition Inc. Term Loan B1 1st Lien F/R 02-08-2025	United States	Term Loans	USD 180,000	236	240
Can Am Construction Inc./Canada Term Loan B 1st Lien F/R 07-01-2024	Canada	Term Loans	USD 597,017	767	784
Canada Goose Inc. Term Loan 1st Lien F/R 12-22-2021	Canada	Term Loans	USD 390,000	488	518
Canadian Imperial Bank of Commerce 2.97% 07-11-2023	Canada	Corporate - Non Convertible	390,000	390	400
Canadian Imperial Bank of Commerce 3.29% 01-15-2024	Canada	Corporate - Non Convertible	2,440,000	2,467	2,513
Canadian National Railway Co. 3.00% 02-08-2029 Callable 2028	Canada	Corporate - Non Convertible	380,000	379	389
Canadian National Railway Co. 3.60% 07-31-2048 Callable 2048	Canada	Corporate - Non Convertible	570,000	561	592
Canadian Pacific Railway Ltd. 3.15% 03-13-2029 Callable 2028	Canada	Corporate - Non Convertible	330,000	329	334
Canadian Western Bank 2.92% 12-15-2022	Canada	Corporate - Non Convertible	600,000	600	604
Capital Power Corp. 4.28% 09-18-2024 Callable 2024	Canada	Corporate - Non Convertible	770,000	772	786
Capital Power Corp. 4.99% 01-23-2026 Callable 2025	Canada	Corporate - Non Convertible	290,000	290	301
Casablanca US Holdings Inc. Term Loan 1st Lien F/R 03-31-2024	United States	Term Loans	USD 336,600	432	436
CBS Corp. 4.20% 06-01-2029 Callable 2029	United States	Corporate - Non Convertible	USD 570,000	743	772
CCL Industries Inc. 3.86% 04-13-2028 Callable 2028	Canada	Corporate - Non Convertible	420,000	420	439
CCS-CMGC Holdings Inc. Term Loan 1st Lien F/R 09-25-2025	United States	Term Loans	USD 89,775	115	115
CEVA Logistics Finance BV Term Loan B 1st Lien F/R 08-03-2025	United States	Term Loans	USD 150,000	191	194
Charter Communications Operating LLC 4.50% 02-01-2024 Callable 2024	United States	Corporate - Non Convertible	USD 440,000	583	612
Charter Communications Operating LLC 5.05% 03-30-2029 Callable 2028	United States	Corporate - Non Convertible	USD 520,000	690	733
Chartwell Retirement Residences 3.79% 12-11-2023 Callable 2023	Canada	Corporate - Non Convertible	890,000	887	914
Chartwell Retirement Residences 4.21% 04-28-2025 Callable 2025	Canada	Corporate - Non Convertible	210,000	210	219
Choice Properties Real Estate Investment Trust 3.56% 09-09-2024 Callable 2024	Canada	Corporate - Non Convertible	170,000	165	174
Choice Properties Real Estate Investment Trust 4.18% 03-08-2028 Callable 2027	Canada	Corporate - Non Convertible	740,000	740	772
Citadel LLC Term Loan B 1st Lien F/R 02-22-2026	United States	Term Loans	USD 420,000	549	562
Citigroup Inc. 4.09% 06-09-2025	United States	Corporate - Non Convertible	290,000	291	302
Comber Wind Financial Corp. 5.13% 11-15-2030	Canada	Corporate - Non Convertible	1,757,987	1,821	1,933
Commonwealth of Bahamas 5.75% 01-16-2024	Bahamas	Foreign Governments	USD 111,000	135	155
Commonwealth of Bahamas 6.00% 11-21-2028 Callable 2028	Bahamas	Foreign Governments	USD 82,000	104	116
Commonwealth of Bahamas 6.95% 11-20-2029	Bahamas	Foreign Governments	USD 119,000	179	175
CommScope Inc. Term Loan B2 1st Lien F/R 02-07-2026	United States	Term Loans	USD 120,000	158	160
CommScope Technologies Finance LLC 8.25% 03-01-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 50,000	66	70
CommScope Technologies LLC 5.00% 03-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 50,000	58	59



**MACKENZIE**  
Investments

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Communications Sales & Leasing Inc. Term Loan B 1st Lien F/R 10-24-2022	United States	Term Loans	USD 1,565	2	2
Concrete Pumping Merger Sub Inc. Term Loan 1st Lien F/R 11-14-2025	United States	Term Loans	USD 140,000	180	182
Cordelio Amalco GP I 4.09% 06-30-2034	Canada	Corporate - Non Convertible	320,000	320	335
Cordelio Amalco GP I 4.09% 09-30-2034	Canada	Corporate - Non Convertible	330,000	330	346
Crombie Real Estate Investment Trust 4.80% 01-31-2025 Callable 2024	Canada	Corporate - Non Convertible	200,000	200	210
Crosslinx Transit Solutions General Partnership 4.65% 09-30-2046	Canada	Corporate - Non Convertible	1,500,000	1,496	1,600
Crown Subsea Communications Holding Inc. Term Loan 1st Lien F/R 11-02-2025	United States	Term Loans	USD 187,625	241	248
CU Inc. 3.96% 07-27-2045 Callable	Canada	Corporate - Non Convertible	250,000	269	273
CU Inc. 3.76% 11-19-2046 Callable 2046	Canada	Corporate - Non Convertible	550,000	550	583
Dawn Acquisition LLC Term Loan 1st Lien F/R 10-25-2025	United States	Term Loans	USD 159,600	207	203
Diamond 1 Finance Corp. 4.42% 06-15-2021 Callable 2021 144A	United States	Corporate - Non Convertible	USD 110,000	142	151
Diamond 1 Finance Corp. 5.45% 06-15-2023 Callable 2023 144A	United States	Corporate - Non Convertible	USD 220,000	284	313
Diamond 1 Finance Corp. 6.02% 06-15-2026 Callable 2026 144A	United States	Corporate - Non Convertible	USD 220,000	284	317
EagleTree-Carbide Acquisition Corp. Term Loan 1st Lien F/R 08-28-2024	United States	Term Loans	USD 770,194	969	1,019
Eastern Power LLC Term Loan B 1st Lien F/R 10-02-2023	United States	Term Loans	USD 77,518	102	103
Electrical Components International Inc. Term Loan 1st Lien F/R 06-22-2025	United States	Term Loans	USD 178,650	235	232
EmployBridge LLC Term Loan B 1st Lien F/R 04-18-2025	United States	Term Loans	USD 62,491	80	83
Enbridge Gas Distribution Inc. 3.51% 11-29-2047 Callable 2047	Canada	Corporate - Non Convertible	690,000	690	702
Enbridge Inc. 3.20% 06-08-2027 Callable 2027	Canada	Corporate - Non Convertible	500,000	500	500
Enbridge Inc. 4.57% 03-11-2044	Canada	Corporate - Non Convertible	2,350,000	2,384	2,470
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate - Non Convertible	2,710,000	2,714	2,656
Enbridge Inc. F/R 04-12-2078 Callable 2028	Canada	Corporate - Non Convertible	1,070,000	1,074	1,136
ENC Holding Corp. Term Loan 1st Lien F/R 05-30-2025	United States	Term Loans	USD 69,505	89	92
EnerCare Solutions Inc. 3.99% 02-21-2024 Callable 2023	Canada	Corporate - Non Convertible	640,000	640	655
Ensono LP Term Loan 1st Lien F/R 04-30-2025	United States	Term Loans	USD 148,875	189	198
EnTrans International LLC Term Loan 1st Lien F/R 10-29-2025	United States	Term Loans	USD 137,375	178	182
EPCOR Utilities Inc. 3.55% 11-27-2047 Callable 2047	Canada	Corporate - Non Convertible	520,000	517	536
EPR Properties 4.95% 04-15-2028 Callable 2028	United States	Corporate - Non Convertible	USD 370,000	464	515
Exela Intermediate LLC 10.00% 07-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 178,000	232	243
Fairfax Financial Holdings Ltd. 5.84% 10-14-2022	Canada	Corporate - Non Convertible	670,000	737	733
Fairfax Financial Holdings Ltd. 8.30% 04-15-2026	Canada	Corporate - Non Convertible	USD 1,700,000	1,843	2,719
Fairfax Financial Holdings Ltd. 7.75% 07-15-2037	Canada	Corporate - Non Convertible	USD 6,130,000	6,371	9,688
Federation des Caisses Desjardins du Quebec 3.06% 09-11-2023	Canada	Corporate - Non Convertible	900,000	900	927
Financial & Risk US Holdings Inc. 8.25% 11-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 70,000	91	92
Forming Machining Industries Holdings LLC Term Loan 1st Lien F/R 10-03-2025	United States	Term Loans	USD 54,863	71	71
Fortified Trust 2.56% 03-23-2024	Canada	Corporate - Non Convertible	480,000	480	484
FortisAlberta Inc. 3.74% 09-18-2048 Callable 2048	Canada	Corporate - Non Convertible	100,000	100	106
Fortress Transportation and Infrastructure Investors LLC 6.50% 10-01-2025 Callable 2021 144A	United States	Corporate - Non Convertible	USD 120,000	154	158
Foundation Building Materials LLC Term Loan B 1st Lien F/R 05-11-2025	United States	Term Loans	USD 89,775	114	118



**MACKENZIE**  
Investments

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Frontera Generation Holdings LLC Term Loan B 1st Lien F/R 04-25-2025	United States	Term Loans	USD 148,875	190	197
Fusion Connect Inc. Term Loan B 1st Lien F/R 05-03-2023	United States	Term Loans	USD 250,250	311	308
GFL Environmental Inc. Term Loan B 1st Lien F/R 05-31-2025	Canada	Term Loans	USD 218,772	284	283
GFL Environmental Inc. 5.38% 03-01-2023 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 20,000	24	25
GFL Environmental Inc. 7.00% 06-01-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 30,000	37	38
Gibson Energy Inc. 5.25% 07-15-2024 Callable 2020 REGS	Canada	Corporate - Non Convertible	103,000	103	105
Government of Bermuda 4.13% 01-03-2023	Bermuda	Foreign Governments	USD 430,000	566	590
Government of Bermuda 4.85% 02-06-2024	Bermuda	Foreign Governments	USD 331,000	443	470
Government of Bermuda 3.72% 01-25-2027 Callable 2026	Bermuda	Foreign Governments	USD 1,560,000	1,916	2,074
Government of Canada 2.75% 06-01-2022	Canada	Federal Government	350,000	362	363
Government of Canada 1.75% 03-01-2023	Canada	Federal Government	170,000	171	171
Government of Canada 1.50% 06-01-2023	Canada	Federal Government	410,000	404	410
Government of Canada 2.00% 09-01-2023	Canada	Federal Government	2,180,000	2,213	2,224
Government of Canada 2.50% 06-01-2024	Canada	Federal Government	750,000	782	786
Government of Canada 2.25% 06-01-2025	Canada	Federal Government	380,000	394	396
Government of Canada 1.00% 06-01-2027	Canada	Federal Government	350,000	333	334
Government of Canada 1.25% 12-01-2047 Real Return	Canada	Federal Government	8,020,000	9,967	10,565
Government of Canada 2.75% 12-01-2048	Canada	Federal Government	22,120,000	25,489	26,369
H&R Real Estate Investment Trust 3.42% 01-23-2023 Callable 2022	Canada	Corporate - Non Convertible	300,000	300	303
H&R Real Estate Investment Trust 3.37% 01-30-2024 Callable 2023	Canada	Corporate - Non Convertible	1,150,000	1,147	1,154
Hadrian Merger Sub Inc. 8.50% 05-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 69,000	89	85
Halo Buyer Inc. Delayed Draw Term Loan 1st Lien F/R 06-28-2025	United States	Term Loans	USD 23,530	31	31
Halo Buyer Inc. Term Loan 1st Lien F/R 06-28-2025	United States	Term Loans	USD 55,874	73	74
Heartland Dental LLC Delay Draw Term Loan 1st Lien F/R 04-17-2025	United States	Term Loans	USD 11,880	16	15
Heartland Dental LLC Term Loan 1st Lien F/R 04-17-2025	United States	Term Loans	USD 530,868	677	690
Heathrow Funding Ltd. 3.40% 03-08-2028	United Kingdom	Corporate - Non Convertible	690,000	689	698
Heathrow Funding Ltd. 3.79% 09-04-2030 Callable 2030	United Kingdom	Corporate - Non Convertible	540,000	540	554
Hillman Group Inc. Term Loan B 1st Lien F/R 05-21-2025	United States	Term Loans	USD 150	-	-
HSBC Bank Canada 3.25% 09-15-2023	Canada	Corporate - Non Convertible	600,000	600	619
HSBC Holdings PLC 3.20% 12-05-2023	United Kingdom	Corporate - Non Convertible	1,310,000	1,310	1,330
Hub International Ltd. Term Loan B 1st Lien F/R 04-25-2025	United States	Term Loans	USD 59,301	75	77
Hydro One Inc. 2.97% 06-26-2025 Callable 2025	Canada	Corporate - Non Convertible	250,000	250	255
Hydro One Inc. 3.72% 11-18-2047	Canada	Corporate - Non Convertible	1,950,000	1,971	2,017
Hydro One Inc. 3.63% 06-25-2049 Callable 2048	Canada	Corporate - Non Convertible	310,000	310	316
IEA Energy Services LLC Term Loan 1st Lien F/R 11-02-2024	United States	Term Loans	USD 204,750	260	261
Innovative Water Care Global Corp. Term Loan 1st Lien F/R 02-27-2026	United States	Term Loans	USD 170,000	212	217
Institutional Shareholder Services Inc. Term Loan 1st Lien F/R 02-26-2026	United States	Term Loans	USD 150,000	198	199
Integro Ltd. United States Term Loan B1 1st Lien F/R 10-31-2022	United States	Term Loans	USD 426,702	541	567
Inter Pipeline Ltd. 2.73% 04-18-2024 Callable 2024	Canada	Corporate - Non Convertible	1,060,000	1,068	1,049
Inter Pipeline Ltd. 3.48% 12-16-2026 Callable 2026	Canada	Corporate - Non Convertible	930,000	942	942
Inter Pipeline Ltd. F/R 03-26-2079 Callable 2029	Canada	Corporate - Non Convertible	190,000	190	194
Interior Logic Group Holdings IV LLC Term Loan B 1st Lien F/R 05-21-2025	United States	Term Loans	USD 358,200	463	471
Intermedia Holdings Inc. Term Loan B 1st Lien F/R 07-13-2025	United States	Term Loans	USD 149,625	195	200



**MACKENZIE**  
Investments

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
The International Bank for Reconstruction and Development 3.50% 01-22-2021	Supra - National	n/a	NZD 4,610,000	4,264	4,319
International Finance Corp. 3.63% 05-20-2020	Supra - National	n/a	NZD 1,490,000	1,376	1,384
International Textile Group Inc. Term Loan 1st Lien F/R 04-19-2024	United States	Term Loans	USD 273,948	351	355
iQor US Inc. Term Loan 2nd Lien F/R 04-01-2022	United States	Term Loans	USD 350,000	424	378
iQor US Inc. Term Loan B 1st Lien F/R 04-01-2021	United States	Term Loans	USD 845,080	958	1,064
Isagenix International LLC Term Loan 1st Lien F/R 04-26-2025	United States	Term Loans	USD 250,250	319	300
Itron Inc. 5.00% 01-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 18,000	23	24
Ivanhoe Cambridge II Inc. 2.91% 06-27-2023 Callable 2023	Canada	Corporate - Non Convertible	300,000	300	307
Janus International Group LLC Term Loan 1st Lien F/R 02-15-2025	United States	Term Loans	USD 100,000	129	134
JP Intermediate B LLC Term Loan 1st Lien F/R 10-19-2025	United States	Term Loans	USD 79,000	103	100
Keane Group Holdings LLC Term Loan B 1st Lien F/R 05-18-2025	United States	Term Loans	USD 129,025	165	167
Kestrel Acquisition LLC Term Loan B 1st Lien F/R 05-02-2025	United States	Term Loans	USD 129,025	166	172
The KeyW Holding Corp. Term Loan 1st Lien F/R 05-04-2024	United States	Term Loans	USD 130,233	167	175
Kindred Healthcare Inc. Term Loan B 1st Lien F/R 06-21-2025	United States	Term Loans	USD 119,400	157	157
Kruger Products LP 6.00% 04-24-2025 Callable 2021	Canada	Corporate - Non Convertible	40,000	40	39
L&W Inc. Term Loan 1st Lien F/R 05-17-2025	United States	Term Loans	USD 237,951	306	315
Lannett Co. Inc. Term Loan B 1st Lien F/R 11-25-2022	United States	Term Loans	USD 279,778	355	350
LBM Borrower LLC Term Loan 1st Lien F/R 08-20-2022	United States	Term Loans	USD 867,187	1,111	1,116
LifeMiles Ltd. Term Loan B 1st Lien F/R 08-18-2022	Colombia	Term Loans	USD 247,599	316	334
LifeScan Global Corp. Term Loan 1st Lien F/R 06-19-2024	United States	Term Loans	USD 393,000	499	506
MacDonald, Dettwiler & Associates Ltd. Term Loan B 1st Lien F/R 10-04-2024	Canada	Term Loans	USD 1,738,081	2,099	1,815
Manulife Bank of Canada 2.84% 01-12-2023	Canada	Corporate - Non Convertible	540,000	539	548
Manulife Financial Corp. F/R 05-09-2028 Callable 2023	Canada	Corporate - Non Convertible	320,000	320	326
Manulife Financial Corp. F/R 08-20-2029 Callable 2024	Canada	Corporate - Non Convertible	1,070,000	1,070	1,079
Mattamy Group Corp. 6.50% 10-01-2025 Callable 2020	Canada	Corporate - Non Convertible	24,000	24	24
Mattamy Group Corp. 6.50% 10-01-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 40,000	50	53
Matterhorn Merger Sub LLC 8.50% 06-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 46,000	59	53
McDermott Technology Americas Inc. Term Loan B 1st Lien F/R 04-05-2025	United States	Term Loans	USD 49,051	64	63
MEG Energy Corp. 6.38% 01-30-2023 Callable 144A	Canada	Corporate - Non Convertible	USD 100,000	120	124
MEG Energy Corp. 7.00% 03-31-2024 Callable 2018 144A	Canada	Corporate - Non Convertible	USD 137,000	179	171
Milk Specialties Co. Term Loan 1st Lien F/R 08-16-2023	United States	Term Loans	USD 654,714	838	874
Minotaur Acquisition Inc. Term Loan 1st Lien F/R 02-27-2026	United States	Term Loans	USD 190,000	245	251
Morgan Stanley 3.00% 02-07-2024	United States	Corporate - Non Convertible	1,390,000	1,390	1,400
National Bank of Canada 1.96% 06-30-2022	Canada	Corporate - Non Convertible	1,950,000	1,921	1,932
National Bank of Canada 2.98% 03-04-2024	Canada	Corporate - Non Convertible	230,000	230	234
NAV Canada 3.29% 03-30-2048 Callable 2047	Canada	Corporate - Non Convertible	380,000	381	396
NAV Canada 3.21% 09-29-2050 Callable 2050	Canada	Corporate - Non Convertible	40,000	40	41
Neenah Foundry Co. Term Loan B 1st Lien F/R 12-08-2022	United States	Term Loans	USD 246,658	316	326
New Red Finance Inc. 5.00% 10-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 15,500	19	20
Newell Brands Inc. 4.20% 04-01-2026 Callable 2026	United States	Corporate - Non Convertible	USD 250,000	317	319
North Battleford Power LP 4.96% 12-31-2032	Canada	Corporate - Non Convertible	870,470	871	977
North West Redwater Partnership 2.80% 06-01-2027 Callable 2027	Canada	Corporate - Non Convertible	1,570,000	1,502	1,555
North West Redwater Partnership 3.65% 06-01-2035 Callable 2034	Canada	Corporate - Non Convertible	510,000	510	526
Nouvelle Autoroute 30 Financement Inc. 4.11% 03-31-2042	Canada	Corporate - Non Convertible	429,902	430	465



**MACKENZIE**  
Investments



# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Nova Scotia Power Inc. 3.57% 04-05-2049 Callable 2048	Canada	Corporate - Non Convertible	230,000	230	229
OCI Beaumont LLC Term Loan B 1st Lien F/R 02-16-2025	United States	Term Loans	USD 9,900	13	13
Office Depot Inc. Term Loan B 1st Lien F/R 11-08-2022	United States	Term Loans	USD 216,363	269	295
Omega Healthcare Investors Inc. 4.50% 01-15-2025 Callable 2024	United States	Corporate - Non Convertible	USD 540,000	582	733
OMERS Realty Corp. 3.24% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	1,250,000	1,250	1,302
OMERS Realty Corp. 3.63% 06-05-2030 Callable 2030	Canada	Corporate - Non Convertible	750,000	750	804
Ontario Power Generation Inc. 3.32% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	630,000	630	647
Ontario Power Generation Inc. 3.84% 06-22-2048 Callable 2047	Canada	Corporate - Non Convertible	400,000	400	411
Ontario Power Generation Inc. 4.25% 01-18-2049 Callable 2048	Canada	Corporate - Non Convertible	200,000	200	219
Osteon Merger Sub Inc. Term Loan B 1st Lien F/R 02-06-2025	United States	Term Loans	USD 68,900	86	92
Owens & Minor Inc. Term Loan B 1st Lien F/R 05-01-2025	United States	Term Loans	USD 457,700	578	467
Panther BF Aggregator 2 LP Term B 1st Lien F/R 03-18-2026	United States	Term Loans	USD 140,000	185	185
Park Aerospace Holdings Ltd. 5.25% 08-15-2022 144A	Ireland	Corporate - Non Convertible	USD 30,000	40	41
Parkland Fuel Corp. 6.00% 04-01-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 46,000	60	62
Pembina Pipeline Corp. 3.54% 02-03-2025 Callable	Canada	Corporate - Non Convertible	150,000	150	154
Pembina Pipeline Corp. 4.02% 03-27-2028 Callable 2027	Canada	Corporate - Non Convertible	510,000	510	534
Petroleos De Venezuela SA 6.00% 05-16-2024	Venezuela	Corporate - Non Convertible	USD 310,000	99	97
Pisces Midco Inc. Term Loan B 1st Lien F/R 03-29-2025	United States	Term Loans	USD 233,573	305	300
Pisces Midco Inc. 8.00% 04-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 50,000	64	60
PLH Group Inc. Term Loan 1st Lien F/R 08-06-2023	United States	Term Loans	USD 88,818	112	117
Prairie ECI Acquiror LP Term Loan 1st Lien F/R 03-07-2026	United States	Term Loans	USD 100,000	134	134
Project Leopard Holdings Inc. Term Loan 1st Lien F/R 07-07-2023	United States	Term Loans	USD 179,550	231	238
Province of Newfoundland 3.00% 06-02-2026	Canada	Provincial Governments	1,420,000	1,430	1,476
Province of Newfoundland 3.70% 10-17-2048	Canada	Provincial Governments	2,480,000	2,734	2,778
Province of Ontario 2.65% 02-05-2025	Canada	Provincial Governments	950,000	963	979
Province of Ontario 2.90% 06-02-2028	Canada	Provincial Governments	270,000	274	282
Province of Ontario 2.70% 06-02-2029	Canada	Provincial Governments	1,840,000	1,837	1,887
Province of Ontario 4.60% 06-02-2039	Canada	Provincial Governments	1,780,000	2,186	2,287
Province of Ontario 2.90% 06-02-2049	Canada	Provincial Governments	19,000,000	18,174	19,571
Province Of Quebec 2.75% 09-01-2028	Canada	Provincial Governments	2,980,000	2,933	3,087
Province of Quebec 3.50% 12-01-2048	Canada	Provincial Governments	7,670,000	8,373	8,890
Province of Saskatchewan 3.30% 06-02-2048	Canada	Provincial Governments	1,220,000	1,277	1,338
PSC Industrial Outsourcing LP Term Loan B 1st Lien F/R 10-05-2024	United States	Term Loans	USD 266,625	332	353
R1 RCM Inc. Term Loan B 1st Lien F/R 05-02-2025	United States	Term Loans	USD 138,950	174	185
Rackspace Hosting Inc. 8.63% 11-15-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 340,000	429	409
Reliance Intermediate Holdings LP 6.50% 04-01-2023 Callable 2018 144A	Canada	Corporate - Non Convertible	USD 29,000	39	40
Renfro Corp. Term Loan B 1st Lien F/R 03-31-2021	United States	Term Loans	USD 323,518	411	419
Research Now Group Inc. Term Loan 1st Lien F/R 12-20-2024	United States	Term Loans	USD 876,510	1,082	1,167
Royal Bank of Canada 2.95% 05-01-2023	Canada	Corporate - Non Convertible	1,470,000	1,470	1,507
Royal Bank of Canada 3.30% 09-26-2023	Canada	Corporate - Non Convertible	430,000	430	444
Savage Enterprises LLC Term Loan B 1st Lien F/R 07-02-2025	United States	Term Loans	USD 161,051	208	216
Sea to Sky Highway Investment LP 2.63% 08-31-2030	Canada	Corporate - Non Convertible	935,586	936	927
Shaw Communications Inc. 4.40% 11-02-2028 Callable 2028	Canada	Corporate - Non Convertible	850,000	859	909
Sigma Bidco BV Term Loan B 1st Lien F/R 03-07-2025	Netherlands	Term Loans	EUR 100,000	151	148
SIRVA Worldwide Inc. Term Loan 1st Lien F/R 07-31-2025	United States	Term Loans	USD 135,150	173	177
SIWF Holdings Inc. Term Loan 1st Lien F/R 05-25-2025	United States	Term Loans	USD 99,250	127	131



**MACKENZIE**  
Investments

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Spirit AeroSystems Inc. 3.95% 06-15-2023 Callable 2023	United States	Corporate - Non Convertible	USD 280,000	359	382
Sprint Spectrum Co. LLC 4.74% 03-20-2025 144A	United States	Corporate - Non Convertible	USD 290,000	375	392
Spy Hill Power LP 4.14% 03-31-2036	Canada	Corporate - Non Convertible	792,690	753	843
SRS Distribution Inc. Term Loan B 1st Lien F/R 05-17-2025	United States	Term Loans	USD 232,566	299	297
SS&C Technologies Inc. Term Loan B5 1st Lien F/R 04-16-2025	United States	Term Loans	USD 89,543	117	119
St. Joseph Energy Center LLC Term Loan 1st Lien F/R 04-06-2025	United States	Term Loans	USD 9,652	13	13
Staples Inc. Term Loan 1st Lien F/R 08-15-2024	United States	Term Loans	USD 295,630	379	393
Star West Generation LLC Term Loan B 1st Lien F/R 03-13-2020	United States	Term Loans	USD 130,485	152	169
Starfruit US Holdco LLC 8.00% 10-01-2026 Callable 2021 144A	Netherlands	Corporate - Non Convertible	USD 60,000	76	80
Stars Group Holdings BV Term Loan B 1st Lien F/R 07-10-2025	Canada	Term Loans	USD 75,000	100	100
Sun Life Financial Inc. F/R 02-19-2026 Callable 2021	Canada	Corporate - Non Convertible	1,370,000	1,389	1,388
Sun Life Financial Inc. F/R 11-23-2027 Callable 2022	Canada	Corporate - Non Convertible	450,000	450	454
Sun Life Financial Inc. F/R 09-19-2028 Callable 2023	Canada	Corporate - Non Convertible	1,810,000	1,819	1,841
Superior Plus LP 7.00% 07-15-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 160,000	212	218
Sydney Airport Finance Co. Pty. Ltd. 3.63% 04-28-2026 Callable 2026 144A	Australia	Corporate - Non Convertible	USD 1,250,000	1,590	1,665
Syniverse Holdings Inc. Term Loan 1st Lien F/R 02-09-2023	United States	Term Loans	USD 99,000	123	122
Sysco Canada Inc. 3.65% 04-25-2025 Callable 2025	United States	Corporate - Non Convertible	500,000	500	519
Talen Energy Supply LLC 9.50% 07-15-2022 Callable 2020 144A	United States	Corporate - Non Convertible	USD 30,000	42	43
TELUS Corp. 3.30% 05-02-2029 Callable 2029	Canada	Corporate - Non Convertible	220,000	218	219
TELUS Corp. 4.70% 03-06-2048 Callable 2047	Canada	Corporate - Non Convertible	430,000	427	459
TerraForm Power Operating LLC 5.00% 01-31-2028 Callable 2027 144A	United States	Corporate - Non Convertible	USD 43,000	55	56
Teva Pharmaceutical Industries Ltd. 2.20% 07-21-2021	Israel	Corporate - Non Convertible	USD 99,000	124	126
Thor Industries Inc. Term Loan B 1st Lien F/R 11-01-2025	United States	Term Loans	USD 256,239	330	327
TMX Group Ltd. 4.46% 10-03-2023 Callable 2023	Canada	Corporate - Non Convertible	1,010,000	1,144	1,085
TMX Group Ltd. 2.30% 12-11-2024 Callable 2024	Canada	Corporate - Non Convertible	250,000	251	253
TMX Group Ltd. 3.78% 06-05-2028 Callable 2028	Canada	Corporate - Non Convertible	280,000	281	295
The Toronto-Dominion Bank 3.01% 05-30-2023	Canada	Corporate - Non Convertible	510,000	510	525
The Toronto-Dominion Bank 2.85% 03-08-2024	Canada	Corporate - Non Convertible	710,000	714	720
TransCanada PipeLines Ltd. 3.69% 07-19-2023	Canada	Corporate - Non Convertible	100,000	102	104
TransCanada PipeLines Ltd. 3.39% 03-15-2028 Callable 2027	Canada	Corporate - Non Convertible	400,000	400	410
TransCanada PipeLines Ltd. 4.18% 07-03-2048 Callable 2048	Canada	Corporate - Non Convertible	70,000	70	71
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	950,000	930	899
Transurban Finance Co. Pty. Ltd. 4.56% 11-14-2028 Callable 2028	Australia	Corporate - Non Convertible	880,000	880	951
Travelport Finance Luxembourg Sarl Term Loan 1st Lien F/R 03-18-2026	Luxembourg	Term Loans	USD 290,000	379	377
Trico Group LLC. Term Loan 1st Lien F/R 02-02-2024	United States	Term Loans	USD 97,512	126	123
Trillium Windpower LP 5.80% 02-15-2033	United States	Corporate - Non Convertible	810,127	810	942
Uber Technologies Inc. Term Loan B 1st Lien F/R 07-13-2023	United States	Term Loans	USD 584,156	771	776
Uber Technologies Inc. 8.00% 11-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 210,000	273	298
Ultra Clean Holdings Inc. Term Loan B 1st Lien F/R 08-27-2025	United States	Term Loans	USD 256,750	330	331
Unimin Corp. Term Loan 1st Lien F/R 05-21-2025	United States	Term Loans	USD 198,500	256	227
Union Gas Ltd. 3.59% 11-22-2047 Callable 2047	Canada	Corporate - Non Convertible	510,000	509	525
United States Treasury 2.75% 02-15-2028	United States	Foreign Governments	USD 800,000	1,016	1,102
United States Treasury 2.88% 08-15-2028	United States	Foreign Governments	USD 920,000	1,172	1,280
United States Treasury 3.13% 11-15-2028	United States	Foreign Governments	USD 1,190,000	1,582	1,691
United States Treasury 2.63% 02-15-2029	United States	Foreign Governments	USD 450,000	601	614
Vancouver Airport Authority 3.66% 11-23-2048 Callable 2048	Canada	Corporate - Non Convertible	450,000	450	498



**MACKENZIE**  
Investments

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Ventas Canada Finance Ltd. 2.55% 03-15-2023 Callable 2023	United States	Corporate - Non Convertible	940,000	941	933
Ventas Realty LP 4.00% 03-01-2028 Callable 2027	United States	Corporate - Non Convertible	USD 340,000	422	460
VeriFone Systems Inc. Term Loan 1st Lien F/R 08-09-2025	United States	Term Loans	USD 109,725	142	145
VeriSign Inc. 4.75% 07-15-2027 Callable 2022	United States	Corporate - Non Convertible	USD 590,000	762	787
Vertex Aerospace Services Corp. Term Loan B 1st Lien F/R 06-14-2025	United States	Term Loans	USD 99,197	129	133
Vistage Worldwide Inc. Term Loan 1st Lien F/R 02-01-2025	United States	Term Loans	USD 178,200	223	236
Vodafone Group PLC 3.75% 01-16-2024	United Kingdom	Corporate - Non Convertible	USD 230,000	293	311
VVC Holding Corp. Term Loan B 1st Lien F/R 02-07-2026	United States	Term Loans	USD 270,000	352	357
Vyair Medical Inc. Term Loan B 1st Lien F/R 04-06-2025	United States	Term Loans	USD 188,575	228	222
W/S Packaging Holdings Inc. 9.00% 04-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 120,000	155	169
WellDyneDx Inc. Term Loan 1st Lien F/R 08-16-2022	United States	Term Loans	USD 330,846	412	440
Wells Fargo & Co. 3.19% 02-08-2024 Callable 2024	United States	Corporate - Non Convertible	1,070,000	1,072	1,089
Welltower Inc. 4.25% 04-15-2028 Callable 2028	United States	Corporate - Non Convertible	USD 250,000	320	345
Welltower Inc. 4.13% 03-15-2029 Callable 2028	United States	Corporate - Non Convertible	USD 330,000	436	450
Williams Scotsman International Inc. 7.88% 12-15-2022 Callable 2019 144A	United States	Corporate - Non Convertible	USD 64,000	82	88
Yak Access LLC Term Loan B 1st Lien F/R 06-26-2025	United States	Term Loans	USD 286,375	365	327
YRC Worldwide Inc. Term Loan 1st Lien F/R 07-21-2022	United States	Term Loans	USD 388,908	490	514
Zotec Partners LLC Term Loan 1st Lien F/R 02-09-2024	United States	Term Loans	USD 263,250	328	348
<b>Total bonds</b>				<b>229,390</b>	<b>241,461</b>
<b>EQUITIES</b>					
Alimentation Couche-Tard Inc. Class B Sub. voting	Canada	Consumer Staples	203,659	11,938	16,032
Allergan PLC	United States	Health Care	12,391	2,898	2,424
AltaGas Ltd. Pfd. Series K	Canada	Energy	12,021	301	239
Baidu Inc. ADR	China	Communication Services	16,781	3,863	3,696
Bank of America Corp.	United States	Financials	629,754	6,912	23,215
Barclays PLC	United Kingdom	Financials	827,426	3,131	2,227
Becton, Dickinson and Co.	United States	Health Care	9,489	3,077	3,166
Boardwalk Real Estate Investment Trust	Canada	Real Estate	207,240	8,802	8,451
BorgWarner Inc.	United States	Consumer Discretionary	88,368	4,709	4,535
Bristow Group Inc.	United States	Energy	470,000	4,936	697
Brookfield Asset Management Inc. Class A limited voting	Canada	Financials	284,612	15,341	17,720
Brookfield Asset Management Inc. Pfd. Series 46	Canada	Real Estate	9,118	228	233
Brookfield Asset Management Inc. Pfd. Series 48	Canada	Real Estate	6,639	166	159
Brookfield Property Partners LP	United States	Real Estate	135,200	3,989	3,717
Brookfield Renewable Partners LP Pfd. Series 11	Canada	Utilities	23,197	580	500
Canadian National Railway Co.	Canada	Industrials	144,777	11,659	17,320
Canadian Pacific Railway Ltd.	Canada	Industrials	64,098	10,774	17,649
Celestica Inc. Sub. voting	Canada	Information Technology	923,965	6,701	10,432
Cenovus Energy Inc.	Canada	Energy	1,210,489	25,585	14,042
CES Energy Solutions Corp.	Canada	Energy	962,056	3,846	2,626
Chesapeake Energy Corp. 5.75% Conv. Pfd. Series A	United States	Energy	26,354	26,275	19,657
Chesapeake Energy Corp. 5.75% Conv. Pfd.	United States	Energy	4,041	2,351	3,089
Citigroup Inc.	United States	Financials	279,185	11,197	23,210
Compagnie Financiere Richemont SA	Switzerland	Consumer Discretionary	59,929	5,419	5,835
Corus Entertainment Inc. Class B non-voting	Canada	Communication Services	960,130	6,614	5,684



**MACKENZIE**  
Investments



# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
CVS Health Corp.	United States	Health Care	43,684	5,182	3,148
DAVITA Inc.	United States	Health Care	77,363	6,547	5,612
Discovery Communications Inc. Class C	United States	Communication Services	137,179	3,464	4,659
E-L Financial Corp. Ltd.	Canada	Financials	16,364	6,467	13,188
Empire Co. Ltd. Class A non-voting	Canada	Consumer Staples	398,855	7,218	11,539
Enbridge Inc.	Canada	Energy	343,512	17,483	16,626
Fairfax Financial Holdings Ltd. Sub. voting	Canada	Financials	18,405	11,463	11,393
General Electric Co.	United States	Industrials	315,968	5,036	4,218
George Weston Ltd.	Canada	Consumer Staples	41,674	4,122	4,004
The Goldman Sachs Group Inc.	United States	Financials	20,980	4,005	5,382
Hang Lung Properties Ltd.	Hong Kong	Real Estate	1,785,000	4,695	5,821
Hitachi Ltd.	Japan	Information Technology	104,800	3,160	4,531
Hudson's Bay Co.	Canada	Consumer Discretionary	1,002,092	10,245	7,405
Kirin Holdings Co. Ltd.	Japan	Consumer Staples	127,200	3,922	4,054
Liberty Global PLC Class A	United Kingdom	Communication Services	242,236	9,862	8,066
Linamar Corp.	Canada	Consumer Discretionary	151,911	7,330	7,280
Loblaw Companies Ltd.	Canada	Consumer Staples	296,826	16,132	19,567
Novartis AG Reg.	Switzerland	Health Care	24,706	3,116	3,176
Nutrien Ltd.	Canada	Materials	277,126	14,957	19,532
Oracle Corp.	United States	Information Technology	70,632	3,704	5,069
Parsely Energy Inc. Class A	United States	Energy	60,922	2,281	1,571
Philip Morris International Inc.	United States	Consumer Staples	21,493	2,309	2,538
Precision Drilling Corp.	Canada	Energy	3,065,876	17,156	9,719
Rowan Companies Inc.	United States	Energy	283,403	7,159	4,086
Samsung Electronics Co. Ltd.	South Korea	Information Technology	144,523	5,066	7,579
Sanofi	France	Health Care	25,885	2,956	3,056
ShawCor Ltd.	Canada	Energy	343,938	9,416	6,882
Teck Resources Ltd. Class B	Canada	Materials	427,886	6,801	13,230
Tenaris SA ADR	Luxembourg	Energy	99,944	3,112	3,773
Tourmaline Oil Corp.	Canada	Energy	520,806	11,447	10,749
TransAlta Corp. Pfd. Series A	Canada	Utilities	29,967	397	382
TransAlta Corp.	Canada	Utilities	646,349	4,539	6,347
TransCanada Corp. Pfd. Series 15	Canada	Energy	22,141	554	566
Transocean Ltd.	United States	Energy	171,989	2,844	2,002
UBS Group AG	Switzerland	Financials	144,281	2,904	2,337
Union Pacific Corp.	United States	Industrials	17,810	2,950	3,979
Wabtec Corp.	United States	Industrials	1,697	171	167
Wells Fargo & Co.	United States	Financials	129,200	8,185	8,341
WestJet Airlines Ltd.	Canada	Industrials	77,075	1,697	1,498
Westshore Terminals Investment Corp.	Canada	Industrials	347,698	7,493	6,961
<b>Total equities</b>				<b>428,839</b>	<b>466,588</b>



**MACKENZIE**  
Investments

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>OPTIONS</b>					
Options Purchased (see schedule of options purchased)				444	260
<b>Total Options</b>				<b>444</b>	<b>260</b>
<b>EXCHANGE-TRADED FUNDS/NOTES</b>					
Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged)	Canada	Exchange-Traded Funds/Notes	40,051	3,984	3,943
<b>Total exchange-traded funds/notes</b>				<b>3,984</b>	<b>3,943</b>
<b>MUTUAL FUNDS</b>					
Mackenzie Cundill International Fund Series R	Canada	Mutual Funds	1,121,113	11,208	10,349
Mackenzie Global Credit Opportunities Fund Series R	Canada	Mutual Funds	1,876,606	18,742	17,578
Mackenzie Global Tactical Bond Fund Series R	Canada	Mutual Funds	628,676	6,272	5,849
Mackenzie Unconstrained Fixed Income Fund Series R	Canada	Mutual Funds	419,961	4,155	4,156
<b>Total mutual funds</b>				<b>40,377</b>	<b>37,932</b>
Transaction costs				(630)	–
<b>Total investments</b>				<b>702,404</b>	<b>750,184</b>
Derivative instruments (see schedule of derivative instruments)					(738)
Cash and cash equivalents					17,572
Other assets less liabilities					(2,985)
<b>Total net assets</b>					<b>764,033</b>



**MACKENZIE**  
Investments

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2019		March 31, 2018	
<b>Effective Portfolio Allocation</b>	<b>% of NAV</b>	<b>Portfolio Allocation</b>	<b>% of NAV</b>
Equities	62.4	Equities	66.7
Bonds	34.7	Bonds	28.4
<i>Bonds</i>	<i>34.8</i>	<i>Bonds</i>	<i>28.5</i>
<i>Purchased options</i>	<i>0.0</i>	<i>Purchased options</i>	<i>0.0</i>
<i>Short futures</i>	<i>(0.1)</i>	<i>Short futures</i>	<i>(0.1)</i>
Cash and short-term investments	2.7	Mutual funds	4.3
Exchange-traded funds/notes	0.6	Exchange-traded funds/notes	0.4
Other assets (liabilities)	(0.4)	Other assets (liabilities)	0.2
<b>Effective Regional Allocation</b>	<b>% of NAV</b>	<b>Regional Allocation</b>	<b>% of NAV</b>
Canada	60.6	Canada	57.1
United States	25.6	United States	30.9
Cash and short-term investments	2.7	United Kingdom	4.1
United Kingdom	2.2	South Korea	1.6
Switzerland	1.6	Luxembourg	1.3
Japan	1.4	Japan	0.8
South Korea	1.0	France	0.7
Other	1.0	Switzerland	0.6
Hong Kong	0.8	China	0.6
Luxembourg	0.7	New Zealand	0.5
France	0.6	Australia	0.5
New Zealand	0.6	Other	0.3
China	0.6	Bermuda	0.3
Australia	0.4	Belgium	0.3
Bermuda	0.4	Bahamas	0.2
Netherlands	0.2	Other assets (liabilities)	0.2
Other assets (liabilities)	(0.4)		
<b>Effective Sector Allocation</b>	<b>% of NAV</b>	<b>Sector Allocation</b>	<b>% of NAV</b>
Corporate bonds	16.5	Financials	17.4
Financials	14.3	Corporate bonds	14.5
Energy	12.8	Energy	13.1
Consumer staples	7.7	Materials	7.5
Industrials	7.0	Consumer discretionary	6.1
Federal bonds	5.6	Industrials	6.0
Provincial bonds	5.6	Federal bonds	5.6
Term loans	4.8	Information technology	5.2
Materials	4.3	Consumer staples	4.4
Information technology	3.7	Mutual funds	4.3
Other	3.7	Provincial bonds	4.1
Consumer discretionary	3.4	Other	3.3
Communication services	3.0	Real estate	3.2
Health care	2.9	Health care	2.9
Cash and short-term investments	2.7	Term loans	2.2
Real estate	2.4	Other assets (liabilities)	0.2
Other assets (liabilities)	(0.4)		

As at March 31, 2019, the effective allocation shows the portfolio, regional or sector exposure of the Fund calculated by combining its direct and indirect investments.



**MACKENZIE**  
Investments

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## SCHEDULE OF OPTIONS PURCHASED

As at March 31, 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	1,793	Put	May 17, 2019	USD 84.00	141	69
iShares iBoxx \$ High Yield Corporate Bond ETF	369	Put	Jun. 21, 2019	USD 84.00	36	25
iShares iBoxx \$ High Yield Corporate Bond ETF	1,793	Put	Jul. 19, 2019	USD 82.00	177	104
iShares iBoxx \$ High Yield Corporate Bond ETF	325	Put	Sep. 20, 2019	USD 84.00	90	62
<b>Total options</b>					<b>444</b>	<b>260</b>



**MACKENZIE**  
Investments

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## SCHEDULE OF DERIVATIVE INSTRUMENTS

As at March 31, 2019

### Schedule of Futures Contracts

Number of Contracts	Type of Contract	Expiration Date	Average Rate of Contracts (\$)	Notional Value* (\$ 000s)	Unrealized (Losses) (\$ 000s)
(221)	10 Year Canadian Government Bond Futures June 2019	Jun. 19, 2019	136.31 CAD	(30,728)	(604)
(210)	10 Year United States Treasury Note Futures June 2019	Jun. 19, 2019	124.18 USD	(34,855)	(10)
Unrealized (Losses)				(65,583)	(614)
<b>Total futures contracts</b>				<b>(65,583)</b>	<b>(614)</b>

\*Notional value represents the exposure to the underlying instruments as at March 31, 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)
A	148 Canadian dollar	(98) Euro	Apr. 5, 2019	(148)	(147)	1
AA	5,618 Canadian dollar	(3,656) Euro	Apr. 5, 2019	(5,618)	(5,483)	135
AA	5,143 U.S. dollar	(6,795) Canadian dollar	Apr. 5, 2019	6,795	6,871	76
AA	12,439 U.S. dollar	(16,422) Canadian dollar	Apr. 5, 2019	16,422	16,617	195
AA	1,548 U.S. dollar	(2,042) Canadian dollar	Apr. 5, 2019	2,042	2,067	25
AA	2,620 U.S. dollar	(3,490) Canadian dollar	Apr. 5, 2019	3,490	3,500	10
AA	2,412 British pound	(4,176) Canadian dollar	Apr. 26, 2019	4,176	4,200	24
AA	3,490 Canadian dollar	(1,989) British pound	Apr. 26, 2019	(3,490)	(3,463)	27
AA	2,540 Canadian dollar	(208,590) Japanese yen	Apr. 26, 2019	(2,540)	(2,520)	20
A	5,899 U.S. dollar	(7,852) Canadian dollar	May 3, 2019	7,852	7,877	25
AA	4,003 Canadian dollar	(2,985) U.S. dollar	Jun. 7, 2019	(4,003)	(3,982)	21
AA	5,702 Canadian dollar	(4,253) U.S. dollar	Jun. 7, 2019	(5,702)	(5,673)	29
AA	3,957 Canadian dollar	(2,612) Euro	Jun. 14, 2019	(3,957)	(3,933)	24
AA	6,947 Canadian dollar	(5,190) U.S. dollar	Jun. 14, 2019	(6,947)	(6,922)	25
A	25,165 Canadian dollar	(18,817) U.S. dollar	Jun. 14, 2019	(25,165)	(25,097)	68
Unrealized Gains						705
AA	984 Euro	(1,481) Canadian dollar	Apr. 5, 2019	1,481	1,476	(5)
AA	6,370 U.S. dollar	(8,510) Canadian dollar	Apr. 5, 2019	8,510	8,510	–
AA	29,338 Canadian dollar	(22,120) U.S. dollar	Apr. 12, 2019	(29,338)	(29,548)	(210)
AA	5,380 Canadian dollar	(450,000) Japanese yen	Apr. 26, 2019	(5,380)	(5,436)	(56)
AA	3,865 Canadian dollar	(2,248) British pound	Apr. 26, 2019	(3,865)	(3,916)	(51)
AA	2,152 Canadian dollar	(180,000) Japanese yen	Apr. 26, 2019	(2,152)	(2,174)	(22)
AA	301 Canadian dollar	(175) British pound	Apr. 26, 2019	(301)	(305)	(4)
AA	18 Canadian dollar	(1,473) Japanese yen	Apr. 26, 2019	(18)	(18)	–
AA	41,329 Canadian dollar	(31,090) U.S. dollar	May 3, 2019	(41,329)	(41,510)	(181)
AA	35,779 Canadian dollar	(26,924) U.S. dollar	May 3, 2019	(35,779)	(35,948)	(169)
AA	1,984 Canadian dollar	(1,488) U.S. dollar	May 3, 2019	(1,984)	(1,987)	(3)
A	4,106 U.S. dollar	(5,505) Canadian dollar	May 3, 2019	5,505	5,482	(23)
AA	5,654 Canadian dollar	(6,226) New Zealand dollar	May 8, 2019	(5,654)	(5,666)	(12)
AA	2,750 Canadian dollar	(2,098) U.S. dollar	May 17, 2019	(2,750)	(2,800)	(50)
AA	14,322 Canadian dollar	(10,770) U.S. dollar	Jun. 14, 2019	(14,322)	(14,365)	(43)
Unrealized (Losses)						(829)
<b>Total forward currency contracts</b>						<b>(124)</b>
<b>Total derivative instruments at fair value</b>						<b>(738)</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, 2019 and 2018, 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. 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 June 3, 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 year-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.

## 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 March 31, 2019.

## 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.



## 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 March 31, 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 March 31, 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 accordance with securities regulations, the Fund must maintain at least 90% of its assets in liquid investments (i.e., investments that can be readily sold). In addition, the Fund retains sufficient cash and short-term investment positions to maintain adequate liquidity. The Fund also has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions.

#### 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.

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

Date of Formation September 28, 1998

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

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

Series A, Series T5 and Series T8 securities are offered to retail investors investing a minimum of \$500 (\$5,000 for Series T5 and Series T8).

Investors in Series T5 and Series T8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively. Before September 29, 2017, Series A securities were known as Series C. Before January 1, 2019, Series T5 securities were known as Series T6.

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

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

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

Series FB and Series FB5 securities are offered to retail investors investing a minimum of \$500. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor. Investors in Series FB5 securities also want to receive a monthly cash flow of 5% per year.

Series I securities are offered to retail investors investing a minimum of \$500 in a qualified group plan with a minimum of \$20,000,000 in assets.

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

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

Series PWFB and Series PWFB5 securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor. Investors in Series PWFB5 securities also want to receive a monthly cash flow of 5% per year.

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

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

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

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

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

Series J securities are no longer available for sale.

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

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Mar. 31, 2019	Mar. 31, 2018
Series A <sup>(3)</sup>	October 7, 1998	1.85%	0.21%	9.16	9.36
Series AR	November 15, 2011	1.85%	0.24%	12.38	12.65
Series D	January 21, 2014	1.10%	0.16%	9.37	9.48
Series E	None issued <sup>(8)</sup>	0.80%	0.20%	—	10.75
Series F	March 2, 2001	0.70% <sup>(4)</sup>	0.15% <sup>(7)</sup>	14.69	15.01
Series F5 <sup>(11)</sup>	June 1, 2018	0.70%	0.15%	13.80	—
Series F8	February 14, 2006	0.70% <sup>(4)</sup>	0.15% <sup>(7)</sup>	7.49	8.19
Series FB	October 26, 2015	0.85%	0.21%	9.69	9.91
Series FB5	October 26, 2015	0.85%	0.21%	12.82	13.63
Series G	April 1, 2005	1.35%	0.21%	12.57	12.85
Series I	October 25, 1999	1.35%	0.21%	9.18	9.41
Series J	January 14, 2011	1.70%	0.20%	11.23	11.48
Series O	November 5, 2002	— <sup>(1)</sup>	— *	15.35	15.69
Series O5 <sup>(11)</sup>	August 21, 2013	— <sup>(1)</sup>	— *	11.60	12.38
Series PW	October 28, 2013	1.70% <sup>(5)</sup>	0.15%	9.85	10.06
Series PWF	None issued <sup>(9)</sup>	0.80%	0.15%	—	9.88
Series PWF8	None issued <sup>(10)</sup>	0.80%	0.15%	—	10.82
Series PWFB	April 3, 2017	0.70% <sup>(6)</sup>	0.15%	9.25	9.46
Series PWFB5	April 3, 2017	0.70% <sup>(6)</sup>	0.15%	12.90	13.69
Series PWR	None issued	1.70%	0.15%	—	—
Series PWT5 <sup>(11)</sup>	April 3, 2017	1.70% <sup>(5)</sup>	0.15%	12.46	13.42
Series PWT8	December 23, 2013	1.70% <sup>(5)</sup>	0.15%	9.47	10.44
Series PWX	March 13, 2014	— <sup>(2)</sup>	— <sup>(2)</sup>	9.48	9.69
Series PWX8	September 4, 2014	— <sup>(2)</sup>	— <sup>(2)</sup>	10.11	10.99
Series R	December 8, 2008	— *	— *	14.95	15.28
Series T5 <sup>(11)</sup>	July 24, 2007	1.85%	0.21%	9.01	9.72
Series T8	March 6, 2002	1.85%	0.21%	5.95	6.58

\* 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) Before September 29, 2017, Series A securities were known as Series C.

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

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

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

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

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

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

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

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

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

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, 2019, Mackenzie and other funds managed by Mackenzie had an investment of \$765 and \$11,286 (2018 – \$562 and \$14,251), respectively, in the Fund.

(c) Loss Carryforwards

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

(d) Securities Lending

The value of securities loaned and collateral received from securities lending at March 31, 2019 and 2018, were as follows:

	March 31, 2019	March 31, 2018
	(\$)	(\$)
Value of securities loaned	–	68,577
Value of collateral received	–	71,758

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

A reconciliation of the gross amount generated from the securities lending transactions to the security lending income to the Fund for the periods ended March 31, 2019 and 2018 is as follows:

	2019		2018	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	615	100.0	593	100.0
Tax withheld	(12)	(2.0)	(31)	(5.2)
	603	98.0	562	94.8
Payments to Securities Lending Agent	(151)	(24.6)	(140)	(23.6)
Securities lending income	452	73.4	422	71.2

(e) Commissions

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

	(\$)
March 31, 2019	132
March 31, 2018	15

(f) Unfunded Credit Agreements

The Fund has entered into credit agreements whereby the Fund commits to fund a participation in a senior unsecured credit facility (“Commitment Amount”) during an agreed upon period of time (“Commitment Period”). In exchange for providing this potential funding the Fund is entitled to receive a commitment fee (“Commitment Fee”) from the issuer equal to a certain percentage of the Commitment Amount at the end of the Commitment Period. The funding requirement and the Commitment Fee are both contingent on whether or not the issuer of the credit agreement completes a contemplated transaction by the end of the Commitment Period. As at March 31, 2019, none of the Commitment Amounts were funded (2018 – \$Nil). The unfunded Commitment Amounts, the Commitment Fee rates and Commitment Period end date are listed below.

	Total Unfunded Commitment Amount (US\$)	Total Number of Commitments	Range of Unfunded Commitment Amounts (US\$)	Range of Commitment Fee Rates (%)	Range of Commitment Period End Date
March 31, 2019	–	–	–	–	–
March 31, 2018	510	3	125 - 215	0.750	June, 18, 2018 - August 21, 2018

# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

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

	March 31, 2019			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	99	(99)	–	–
Unrealized losses on derivative contracts	(1,297)	99	1,858	660
Liability for options written	–	–	–	–
Total	(1,198)	–	1,858	660

	March 31, 2018			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	50	(50)	–	–
Unrealized losses on derivative contracts	(2,295)	50	1,461	(784)
Liability for options written	–	–	–	–
Total	(2,245)	–	1,461	(784)

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

##### i. Risk exposure and management

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

##### ii. Currency risk

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

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



**MACKENZIE**  
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# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

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

Currency	March 31, 2018			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	320,573	1,784	(268,197)	54,160
South Korean won	14,772	–	–	14,772
Euro	12,701	–	–	12,701
British pound	18,742	–	(8,234)	10,508
Japanese yen	7,056	–	–	7,056
Swiss franc	5,704	–	–	5,704
New Zealand dollar	5,822	–	(5,787)	35
Total	385,370	1,784	(282,218)	104,936
% of Net Assets	41.4	0.2	(30.3)	11.3

\* Includes both monetary and non-monetary financial instruments

As at March 31, 2019, had the Canadian dollar increased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have decreased by approximately \$6,627 or 0.9% of total net assets (2018 – \$6,184 or 0.7%). Similarly, had the Canadian dollar decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have increased by approximately \$6,627 or 0.9% of the total net assets (2018 – \$6,184 or 0.7%). In practice, the actual trading results may differ and the difference could be material.

##### iii. Interest rate risk

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

Term to Maturity	March 31, 2019 (\$)		March 31, 2018 (\$)	
	Bonds	Derivative Instruments	Bonds	Derivative Instruments
Less than 1 year	169	(65,583)	605	(53,945)
1-5 years	46,341	–	44,793	–
5-10 years	77,935	–	99,967	–
Greater than 10 years	117,016	–	120,129	–
Total	241,461	(65,583)	265,494	(53,945)

As at March 31, 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 \$21,159 or 2.8% (2018 – \$21,491 or 2.3%) 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 \$21,608 or 2.8% (2018 – \$21,558 or 2.3%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

##### iv. Other price risk

The Fund's most significant exposure to price risk arises from its investment in equity securities, exchange-traded funds and mutual funds. As at March 31, 2019, 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 \$47,755 or 6.3% (2018 – \$66,406 or 7.1%) of total net assets. In practice, the actual trading results may differ and the difference could be material.



# MACKENZIE CUNDILL CANADIAN BALANCED FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2019

BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

##### v. Credit risk

The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum exposure to any one debt issuer as at March 31, 2019, was 5.4% of the net assets of the Fund (2018 – 5.6%).

As at March 31, 2019 and 2018, debt securities by credit rating are as follows:

Bond Rating*	March 31, 2019	March 31, 2018
	% of Net Assets	% of Net Assets
AAA	6.3	7.5
AA	4.0	5.4
A	8.0	5.6
BBB	8.8	7.0
Less than BBB	4.2	2.8
Unrated	0.3	0.2
Total	31.6	28.5

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

#### (i) Fair Value Classification

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

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

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

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

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

	March 31, 2019				March 31, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	241,461	–	241,461	–	265,494	–	265,494
Equities	466,588	–	–	466,588	582,995	37,147	–	620,142
Options	87	173	–	260	–	125	–	125
Exchange-traded funds/notes	3,943	–	–	3,943	3,937	–	–	3,937
Mutual funds	37,932	–	–	37,932	39,980	–	–	39,980
Derivative assets	–	705	–	705	–	444	–	444
Derivative liabilities	(614)	(829)	–	(1,443)	(1,015)	(2,636)	–	(3,651)
Short-term investments	–	12,387	–	12,387	–	460	–	460
Total	507,936	253,897	–	761,833	625,897	301,034	–	926,931

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.

## NOTES TO FINANCIAL STATEMENTS

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

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

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

As at March 31, 2019, these securities were classified as Level 1. As at March 31, 2018, fair value adjustments were applied to the majority of securities in non-North American markets (Level 2) that were closed on the last business day. The remaining non-North American securities were classified as Level 1. Other than as described above, there were no significant transfers between Level 1 and Level 2.

Other 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.

#### (j) Comparative Amounts

Certain prior period comparative amounts have been reclassified to conform to the current period's presentation.

