

# MACKENZIE FLOATING RATE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

FIXED INCOME FUND

## MANAGEMENT REPORT

### Management's Responsibility for Financial Reporting

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

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

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

On behalf of Mackenzie Financial Corporation,  
Manager of the Fund



Barry McNerney  
President and Chief Executive Officer



Terry Rountes  
Chief Financial Officer, Funds

July 13, 2020

## INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Mackenzie Floating Rate Income Fund (the "Fund")

### Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at March 31, 2020 and 2019, and the statements of comprehensive income, changes in financial position and cash flows for the periods then ended, as indicated in Note 1, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2020 and 2019, and its financial performance and its cash flows for the periods then ended, as indicated in Note 1, in accordance with International Financial Reporting Standards ("IFRS").

### Basis for Opinion

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

### Other Information

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

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

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

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

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

# MACKENZIE FLOATING RATE INCOME FUND

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## INDEPENDENT AUDITOR'S REPORT (cont'd)

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for Deloitte LLP, featuring the word "Deloitte" in a stylized script font followed by "LLP" in a plain sans-serif font.

Chartered Professional Accountants  
Licensed Public Accountants  
Toronto, Ontario  
July 13, 2020

# MACKENZIE FLOATING RATE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

FIXED INCOME FUND

## STATEMENTS OF FINANCIAL POSITION

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

	2020	2019
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Investments at fair value	557,422	1,164,505
Cash and cash equivalents	102,773	59,230
Accrued interest receivable	3,369	9,451
Dividends receivable	5	14
Accounts receivable for investments sold	26,708	41,142
Accounts receivable for securities issued	261	832
Due from manager	32	5
Margin on derivatives	940	—
Unrealized gains on derivative contracts	3,886	2,312
<b>Total assets</b>	<b>695,396</b>	<b>1,277,491</b>

### LIABILITIES

#### Current liabilities

Accounts payable for investments purchased	20,704	70,689
Accounts payable for securities redeemed	4,719	3,337
Due to manager	14	—
Unrealized losses on derivative contracts	55,657	7,916
<b>Total liabilities</b>	<b>81,094</b>	<b>81,942</b>
<b>Net assets attributable to securityholders</b>	<b>614,302</b>	<b>1,195,549</b>

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

Series A	22,062	46,853
Series AR	1,484	2,367
Series D	990	2,064
Series F	117,280	307,862
Series F5	6,214	63,747
Series F8	1	17
Series FB	289	344
Series FB5	1	1
Series O	10,506	20,784
Series PW	106,710	179,109
Series PWFB	1,161	1,729
Series PWFB5	1	25
Series PWR	480	—
Series PWT5	1,202	2,270
Series PWT8	364	430
Series PWX	3,023	5,300
Series PWX8	1	1
Series R	15,662	631
Series S	184,356	291,869
Series SC	76,702	139,713
Series S5	912	3,152
Series T5	335	817
Quadrus Series	26,639	44,762
H Series	2,263	3,806
HW Series	995	1,120

	2020	2019
	\$	\$
L Series	11,773	26,416
N Series	19,229	44,377
QF Series	3,280	5,377
QFW Series	193	606
Series LB	24	—
Series LF	1	—
Series LW	169	—
<b>Net assets attributable to securityholders per security (note 3)</b>		
Series A	8.20	9.99
Series AR	8.08	9.83
Series D	7.91	9.63
Series F	8.17	9.95
Series F5	11.29	13.85
Series F8	11.47	14.25
Series FB	8.38	10.20
Series FB5	12.29	15.06
Series O	8.17	9.95
Series PW	8.07	9.83
Series PWFB	8.11	9.88
Series PWFB5	12.07	14.75
Series PWR	8.21	—
Series PWT5	11.74	14.39
Series PWT8	9.58	11.96
Series PWX	8.03	9.79
Series PWX8	10.84	13.35
Series R	8.08	9.85
Series S	8.21	10.00
Series SC	8.20	9.99
Series S5	10.91	13.34
Series T5	10.64	13.00
Quadrus Series	7.86	9.57
H Series	7.80	9.50
HW Series	8.00	9.74
L Series	7.95	9.68
N Series	7.95	9.68
QF Series	8.51	10.37
QFW Series	8.00	9.74
Series LB	8.53	—
Series LF	8.47	—
Series LW	8.47	—

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

CANADA LIFE MUTUAL FUNDS

# MACKENZIE FLOATING RATE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

FIXED INCOME FUND

## STATEMENTS OF COMPREHENSIVE INCOME

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

	2020	2019		2020	2019
	\$	\$		\$	\$
<b>Income</b>			<b>Series S</b>	(23,969)	8,656
Dividends	293	353	<b>Series SC</b>	(11,219)	3,062
Interest income	72,840	73,679	<b>Series S5</b>	(124)	72
Other changes in fair value of investments and other net assets			<b>Series T5</b>	(42)	11
Net realized gain (loss)	(15,870)	(36,144)	<b>Quadrus Series</b>	(4,021)	641
Net unrealized gain (loss)	(136,489)	1,139	<b>H Series</b>	(302)	74
Securities lending income	28	19	<b>HW Series</b>	(138)	13
<b>Total income (loss)</b>	<b>(79,198)</b>	<b>39,046</b>	<b>L Series</b>	(1,789)	475
			<b>N Series</b>	(2,793)	1,158
<b>Expenses (note 6)</b>			<b>QF Series</b>	(441)	133
Management fees	7,478	8,611	<b>QFW Series</b>	(51)	6
Management fee rebates	(263)	(201)	<b>Series LB</b>	(4)	—
Administration fees	1,291	1,511	<b>Series LF</b>	—	—
Interest charges	9	2	<b>Series LW</b>	(26)	—
Commissions and other portfolio transaction costs	44	68	<b>Increase (decrease) in net assets attributable to securityholders from operations per security</b>		
Independent Review Committee fees	3	4	<b>Series A</b>	(0.88)	0.18
Other	2	6	<b>Series AR</b>	(1.13)	0.18
<b>Expenses before amounts absorbed by Manager</b>	<b>8,564</b>	<b>10,001</b>	<b>Series D</b>	(0.78)	0.19
Expenses absorbed by Manager	—	—	<b>Series F</b>	(0.68)	0.21
<b>Net expenses</b>	<b>8,564</b>	<b>10,001</b>	<b>Series F5</b>	(0.90)	0.35
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>(87,762)</b>	<b>29,045</b>	<b>Series F8</b>	(0.09)	0.20
Foreign withholding taxes	—	—	<b>Series FB</b>	(1.06)	0.34
Foreign income taxes paid (recovered)	—	—	<b>Series FB5</b>	(1.79)	0.45
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>(87,762)</b>	<b>29,045</b>	<b>Series O</b>	(0.75)	0.39
<b>Increase (decrease) in net assets attributable to securityholders from operations per series</b>			<b>Series O5</b>	—	—
<b>Series A</b>	<b>(3,251)</b>	<b>806</b>	<b>Series PW</b>	(0.95)	0.21
<b>Series AR</b>	<b>(226)</b>	<b>34</b>	<b>Series PWF</b>	—	0.10
<b>Series D</b>	<b>(134)</b>	<b>36</b>	<b>Series PWF6</b>	—	0.11
<b>Series F</b>	<b>(14,886)</b>	<b>6,359</b>	<b>Series PWF8</b>	—	0.14
<b>Series F5</b>	<b>(4,009)</b>	<b>1,344</b>	<b>Series PWFB</b>	(1.08)	0.26
<b>Series F8</b>	<b>—</b>	<b>—</b>	<b>Series PWFB5</b>	0.22	0.45
<b>Series FB</b>	<b>(37)</b>	<b>11</b>	<b>Series PWR</b>	(1.39)	—
<b>Series FB5</b>	<b>—</b>	<b>—</b>	<b>Series PWT5</b>	(1.35)	0.26
<b>Series O</b>	<b>(1,194)</b>	<b>818</b>	<b>Series PWT8</b>	(1.40)	0.25
<b>Series O5</b>	<b>—</b>	<b>2</b>	<b>Series PWX</b>	(0.75)	0.35
<b>Series PW</b>	<b>(15,758)</b>	<b>3,234</b>	<b>Series PWX8</b>	(1.42)	0.62
<b>Series PWF</b>	<b>8</b>	<b>1,262</b>	<b>Series R</b>	(10.42)	0.36
<b>Series PWF6</b>	<b>—</b>	<b>125</b>	<b>Series S</b>	(0.89)	0.37
<b>Series PWF8</b>	<b>—</b>	<b>—</b>	<b>Series SC</b>	(0.95)	0.23
<b>Series PWFB</b>	<b>(162)</b>	<b>40</b>	<b>Series S5</b>	(0.76)	0.32
<b>Series PWFB5</b>	<b>1</b>	<b>—</b>	<b>Series T5</b>	(0.77)	0.19
<b>Series PWR</b>	<b>(75)</b>	<b>—</b>	<b>Quadrus Series</b>	(0.97)	0.16
<b>Series PWT5</b>	<b>(168)</b>	<b>37</b>	<b>H Series</b>	(0.81)	0.31
<b>Series PWT8</b>	<b>(52)</b>	<b>11</b>	<b>HW Series</b>	(0.95)	0.14
<b>Series PWX</b>	<b>(346)</b>	<b>168</b>	<b>L Series</b>	(0.85)	0.20
<b>Series PWX8</b>	<b>—</b>	<b>7</b>	<b>N Series</b>	(0.70)	0.38
<b>Series R</b>	<b>(2,554)</b>	<b>450</b>	<b>QF Series</b>	(0.95)	0.29
			<b>QFW Series</b>	(0.72)	0.15
			<b>Series LB</b>	(1.56)	—
			<b>Series LF</b>	(1.30)	—
			<b>Series LW</b>	(4.19)	—

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

CANADA LIFE MUTUAL FUNDS

# MACKENZIE FLOATING RATE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

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## STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Series A		Series AR		Series D		Series F		Series F5	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS	\$		\$		\$		\$		\$	
<b>Beginning of period</b>	<b>46,853</b>	<b>36,567</b>	<b>2,367</b>	<b>1,307</b>	<b>2,064</b>	<b>1,135</b>	<b>307,862</b>	<b>99,328</b>	<b>63,747</b>	<b>5,194</b>
Increase (decrease) in net assets from operations	(3,251)	806	(226)	34	(134)	36	(14,886)	6,359	(4,009)	1,344
Distributions paid to securityholders:										
Investment income	(2,068)	(2,038)	(109)	(83)	(103)	(94)	(14,624)	(17,446)	(4,282)	(3,034)
Capital gains	—	—	—	—	—	—	—	—	—	—
Return of capital	—	—	—	—	—	—	—	—	(264)	(440)
Management fee rebates	—	—	—	—	—	—	(41)	(51)	(179)	(73)
Total distributions paid to securityholders	(2,068)	(2,038)	(109)	(83)	(103)	(94)	(14,665)	(17,497)	(4,725)	(3,547)
Security transactions:										
Proceeds from securities issued	3,284	24,512	548	1,218	497	2,827	48,122	426,096	1,369	70,338
Reinvested distributions	1,783	1,638	109	83	95	90	8,390	9,230	2,082	669
Payments on redemption of securities	(24,539)	(14,632)	(1,205)	(192)	(1,429)	(1,930)	(217,543)	(215,654)	(52,250)	(10,251)
Total security transactions	(19,472)	11,518	(548)	1,109	(837)	987	(161,031)	219,672	(48,799)	60,756
<b>Total increase (decrease) in net assets</b>	<b>(24,791)</b>	<b>10,286</b>	<b>(883)</b>	<b>1,060</b>	<b>(1,074)</b>	<b>929</b>	<b>(190,582)</b>	<b>208,534</b>	<b>(57,533)</b>	<b>58,553</b>
<b>End of period</b>	<b>22,062</b>	<b>46,853</b>	<b>1,484</b>	<b>2,367</b>	<b>990</b>	<b>2,064</b>	<b>117,280</b>	<b>307,862</b>	<b>6,214</b>	<b>63,747</b>
<b>Increase (decrease) in fund securities (note 7):</b>	<b>Securities</b>		<b>Securities</b>		<b>Securities</b>		<b>Securities</b>		<b>Securities</b>	
<b>Securities outstanding – beginning of period</b>	<b>4,691</b>	<b>3,565</b>	<b>241</b>	<b>130</b>	<b>214</b>	<b>115</b>	<b>30,947</b>	<b>9,729</b>	<b>4,603</b>	<b>363</b>
Issued	336	2,412	58	122	53	287	4,920	41,859	99	4,923
Reinvested distributions	184	162	11	8	10	9	867	918	157	48
Redeemed	(2,522)	(1,448)	(126)	(19)	(152)	(197)	(22,376)	(21,559)	(4,309)	(731)
<b>Securities outstanding – end of period</b>	<b>2,689</b>	<b>4,691</b>	<b>184</b>	<b>241</b>	<b>125</b>	<b>214</b>	<b>14,358</b>	<b>30,947</b>	<b>550</b>	<b>4,603</b>
	<b>Series F8</b>		<b>Series FB</b>		<b>Series FB5</b>		<b>Series O</b>		<b>Series O5</b>	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS	\$		\$		\$		\$		\$	
<b>Beginning of period</b>	<b>17</b>	<b>—</b>	<b>344</b>	<b>576</b>	<b>1</b>	<b>1</b>	<b>20,784</b>	<b>19,183</b>	<b>—</b>	<b>113</b>
Increase (decrease) in net assets from operations	—	—	(37)	11	—	—	(1,194)	818	—	2
Distributions paid to securityholders:										
Investment income	—	(3)	(23)	(18)	—	—	(1,219)	(1,363)	—	(2)
Capital gains	—	—	—	—	—	—	—	—	—	—
Return of capital	—	(1)	—	—	—	—	—	—	—	—
Management fee rebates	—	—	—	—	—	—	—	—	—	—
Total distributions paid to securityholders	—	(4)	(23)	(18)	—	—	(1,219)	(1,363)	—	(2)
Security transactions:										
Proceeds from securities issued	—	104	121	1,258	—	—	287	9,647	—	—
Reinvested distributions	—	3	23	18	—	—	1,151	1,309	—	2
Payments on redemption of securities	(16)	(86)	(139)	(1,501)	—	—	(9,303)	(8,810)	—	(115)
Total security transactions	(16)	21	5	(225)	—	—	(7,865)	2,146	—	(113)
<b>Total increase (decrease) in net assets</b>	<b>(16)</b>	<b>17</b>	<b>(55)</b>	<b>(232)</b>	<b>—</b>	<b>—</b>	<b>(10,278)</b>	<b>1,601</b>	<b>—</b>	<b>(113)</b>
<b>End of period</b>	<b>1</b>	<b>17</b>	<b>289</b>	<b>344</b>	<b>1</b>	<b>1</b>	<b>10,506</b>	<b>20,784</b>	<b>—</b>	<b>—</b>
<b>Increase (decrease) in fund securities (note 7):</b>	<b>Securities</b>		<b>Securities</b>		<b>Securities</b>		<b>Securities</b>		<b>Securities</b>	
<b>Securities outstanding – beginning of period</b>	<b>1</b>	<b>—</b>	<b>34</b>	<b>55</b>	<b>—</b>	<b>—</b>	<b>2,089</b>	<b>1,879</b>	<b>—</b>	<b>8</b>
Issued	—	7	12	121	—	—	28	954	—	—
Reinvested distributions	—	—	2	2	—	—	119	130	—	—
Redeemed	(1)	(6)	(14)	(144)	—	—	(950)	(874)	—	(8)
<b>Securities outstanding – end of period</b>	<b>—</b>	<b>1</b>	<b>34</b>	<b>34</b>	<b>—</b>	<b>—</b>	<b>1,286</b>	<b>2,089</b>	<b>—</b>	<b>—</b>

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

CANADA LIFE MUTUAL FUNDS

# MACKENZIE FLOATING RATE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

**FIXED INCOME FUND**

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

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

	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Series PW		Series PWF		Series PWF6		Series PWF8		Series PWF8	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	<b>179,109</b>	<b>87,370</b>	<b>–</b>	<b>114,030</b>	<b>–</b>	<b>1,961</b>	<b>–</b>	<b>26</b>	<b>1,729</b>	<b>909</b>
Increase (decrease) in net assets from operations	(15,758)	3,234	8	1,262	–	125	–	–	(162)	40
Distributions paid to securityholders:										
Investment income	(10,059)	(8,127)	(8)	(1,005)	–	(224)	–	–	(101)	(91)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	–	(36)	–	–	–	–
Management fee rebates	(16)	(25)	–	(26)	–	(5)	–	–	–	(1)
Total distributions paid to securityholders	(10,075)	(8,152)	(8)	(1,031)	–	(265)	–	–	(101)	(92)
Security transactions:										
Proceeds from securities issued	38,334	150,639	–	28,205	–	48,252	–	–	388	2,485
Reinvested distributions	9,071	7,179	–	531	–	25	–	–	101	92
Payments on redemption of securities	(93,971)	(61,161)	–	(142,997)	–	(50,098)	–	(26)	(794)	(1,705)
Total security transactions	(46,566)	96,657	–	(114,261)	–	(1,821)	–	(26)	(305)	872
<b>Total increase (decrease) in net assets</b>	<b>(72,399)</b>	<b>91,739</b>	<b>–</b>	<b>(114,030)</b>	<b>–</b>	<b>(1,961)</b>	<b>–</b>	<b>(26)</b>	<b>(568)</b>	<b>820</b>
<b>End of period</b>	<b>106,710</b>	<b>179,109</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,161</b>	<b>1,729</b>
<b>Increase (decrease) in fund securities (note 7):</b>	<b>Securities</b>		<b>Securities</b>		<b>Securities</b>		<b>Securities</b>		<b>Securities</b>	
<b>Securities outstanding – beginning of period</b>	<b>18,223</b>	<b>8,657</b>	<b>–</b>	<b>11,297</b>	<b>–</b>	<b>131</b>	<b>–</b>	<b>2</b>	<b>175</b>	<b>90</b>
Issued	3,963	15,000	–	2,789	–	3,202	–	–	40	246
Reinvested distributions	951	722	–	53	–	2	–	–	11	9
Redeemed	(9,919)	(6,156)	–	(14,139)	–	(3,335)	–	(2)	(83)	(170)
<b>Securities outstanding – end of period</b>	<b>13,218</b>	<b>18,223</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>143</b>	<b>175</b>
	<b>Series PWF85</b>		<b>Series PWR</b>		<b>Series PWT5</b>		<b>Series PWT8</b>		<b>Series PWX</b>	
	\$		\$		\$		\$		\$	
<b>Beginning of period</b>	<b>25</b>	<b>26</b>	<b>–</b>	<b>–</b>	<b>2,270</b>	<b>649</b>	<b>430</b>	<b>573</b>	<b>5,300</b>	<b>3,065</b>
Increase (decrease) in net assets from operations	1	–	(75)	–	(168)	37	(52)	11	(346)	168
Distributions paid to securityholders:										
Investment income	(2)	(1)	(35)	–	(107)	(110)	(27)	(28)	(344)	(308)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	(6)	(27)	(10)	(19)	–	–
Management fee rebates	–	–	–	–	–	(1)	–	–	–	–
Total distributions paid to securityholders	(2)	(1)	(35)	–	(113)	(138)	(37)	(47)	(344)	(308)
Security transactions:										
Proceeds from securities issued	–	–	639	–	385	3,602	–	78	324	3,209
Reinvested distributions	2	1	35	–	80	52	23	25	334	297
Payments on redemption of securities	(25)	(1)	(84)	–	(1,252)	(1,932)	–	(210)	(2,245)	(1,131)
Total security transactions	(23)	–	590	–	(787)	1,722	23	(107)	(1,587)	2,375
<b>Total increase (decrease) in net assets</b>	<b>(24)</b>	<b>(1)</b>	<b>480</b>	<b>–</b>	<b>(1,068)</b>	<b>1,621</b>	<b>(66)</b>	<b>(143)</b>	<b>(2,277)</b>	<b>2,235</b>
<b>End of period</b>	<b>1</b>	<b>25</b>	<b>480</b>	<b>–</b>	<b>1,202</b>	<b>2,270</b>	<b>364</b>	<b>430</b>	<b>3,023</b>	<b>5,300</b>
<b>Increase (decrease) in fund securities (note 7):</b>	<b>Securities</b>		<b>Securities</b>		<b>Securities</b>		<b>Securities</b>		<b>Securities</b>	
<b>Securities outstanding – beginning of period</b>	<b>2</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>158</b>	<b>43</b>	<b>36</b>	<b>45</b>	<b>541</b>	<b>305</b>
Issued	–	–	64	–	27	244	–	6	34	320
Reinvested distributions	–	–	4	–	6	4	2	2	35	30
Redeemed	(2)	–	(9)	–	(89)	(133)	–	(17)	(234)	(114)
<b>Securities outstanding – end of period</b>	<b>–</b>	<b>2</b>	<b>59</b>	<b>–</b>	<b>102</b>	<b>158</b>	<b>38</b>	<b>36</b>	<b>376</b>	<b>541</b>

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

**CANADA LIFE MUTUAL FUNDS**

# MACKENZIE FLOATING RATE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

FIXED INCOME FUND

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

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

	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Series PWX8		Series R		Series S		Series SC		Series S5	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS	\$		\$		\$		\$		\$	
Beginning of period	1	234	631	20,189	291,869	157,127	139,713	137,385	3,152	2,751
Increase (decrease) in net assets from operations	–	7	(2,554)	450	(23,969)	8,656	(11,219)	3,062	(124)	72
Distributions paid to securityholders:										
Investment income	–	(10)	(161)	(740)	(20,458)	(15,690)	(7,063)	(6,714)	(125)	(143)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	(3)	–	–	–	–	–	–	(7)	(42)
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	–	(13)	(161)	(740)	(20,458)	(15,690)	(7,063)	(6,714)	(132)	(185)
Security transactions:										
Proceeds from securities issued	–	–	19,810	3,156	20,264	145,752	25,462	135,650	479	3,686
Reinvested distributions	–	7	3	1	20,458	15,690	6,129	5,819	53	41
Payments on redemption of securities	–	(234)	(2,067)	(22,425)	(103,808)	(19,666)	(76,320)	(135,489)	(2,516)	(3,213)
Total security transactions	–	(227)	17,746	(19,268)	(63,086)	141,776	(44,729)	5,980	(1,984)	514
Total increase (decrease) in net assets	–	(233)	15,031	(19,558)	(107,513)	134,742	(63,011)	2,328	(2,240)	401
End of period	1	1	15,662	631	184,356	291,869	76,702	139,713	912	3,152
Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	–	17	64	1,999	29,178	15,308	13,990	13,400	236	198
Issued	–	–	2,112	314	2,066	14,266	2,588	13,316	37	269
Reinvested distributions	–	1	–	–	2,110	1,552	632	575	4	3
Redeemed	–	(18)	(239)	(2,249)	(10,906)	(1,948)	(7,861)	(13,301)	(193)	(234)
Securities outstanding – end of period	–	–	1,937	64	22,448	29,178	9,349	13,990	84	236
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS	Series T5		Quadrus Series		H Series		HW Series		L Series	
	\$		\$		\$		\$		\$	
Beginning of period	817	383	44,762	27,138	3,806	1,732	1,120	–	26,416	16,318
Increase (decrease) in net assets from operations	(42)	11	(4,021)	641	(302)	74	(138)	13	(1,789)	475
Distributions paid to securityholders:										
Investment income	(42)	(36)	(2,257)	(1,821)	(239)	(135)	(97)	(35)	(1,221)	(1,152)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	(3)	(12)	–	–	–	–	–	–	–	–
Management fee rebates	–	–	(22)	(14)	(2)	(2)	–	–	–	–
Total distributions paid to securityholders	(45)	(48)	(2,279)	(1,835)	(241)	(137)	(97)	(35)	(1,221)	(1,152)
Security transactions:										
Proceeds from securities issued	–	592	9,044	38,973	814	4,551	1,090	1,493	4,103	20,942
Reinvested distributions	15	12	2,279	1,822	241	134	97	35	1,213	1,152
Payments on redemption of securities	(410)	(133)	(23,146)	(21,977)	(2,055)	(2,548)	(1,077)	(386)	(16,949)	(11,319)
Total security transactions	(395)	471	(11,823)	18,818	(1,000)	2,137	110	1,142	(11,633)	10,775
Total increase (decrease) in net assets	(482)	434	(18,123)	17,624	(1,543)	2,074	(125)	1,120	(14,643)	10,098
End of period	335	817	26,639	44,762	2,263	3,806	995	1,120	11,773	26,416
Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	63	28	4,677	2,761	400	177	115	–	2,728	1,642
Issued	–	44	959	3,990	87	473	112	151	430	2,122
Reinvested distributions	1	1	246	188	26	14	10	4	129	118
Redeemed	(33)	(10)	(2,492)	(2,262)	(223)	(264)	(113)	(40)	(1,807)	(1,154)
Securities outstanding – end of period	31	63	3,390	4,677	290	400	124	115	1,480	2,728

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

CANADA LIFE MUTUAL FUNDS

# MACKENZIE FLOATING RATE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

FIXED INCOME FUND

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

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

	2020	2019	2020	2019	2020	2019	2020	2019
	N Series		QF Series		QFW Series		Series LB	
	\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>								
<b>Beginning of period</b>	<b>44,377</b>	<b>22,044</b>	<b>5,377</b>	<b>2,903</b>	<b>606</b>	<b>–</b>	<b>–</b>	<b>–</b>
Increase (decrease) in net assets from operations	(2,793)	1,158	(441)	133	(51)	6	(4)	–
Distributions paid to securityholders:								
Investment income	(2,939)	(2,006)	(320)	(269)	(47)	(17)	–	–
Capital gains	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–	–	–
Management fee rebates	–	–	(3)	(3)	–	–	–	–
Total distributions paid to securityholders	(2,939)	(2,006)	(323)	(272)	(47)	(17)	–	–
Security transactions:								
Proceeds from securities issued	7,298	28,884	1,254	5,443	393	602	202	–
Reinvested distributions	2,939	2,006	318	269	47	17	–	–
Payments on redemption of securities	(29,653)	(7,709)	(2,905)	(3,099)	(755)	(2)	(174)	–
Total security transactions	(19,416)	23,181	(1,333)	2,613	(315)	617	28	–
<b>Total increase (decrease) in net assets</b>	<b>(25,148)</b>	<b>22,333</b>	<b>(2,097)</b>	<b>2,474</b>	<b>(413)</b>	<b>606</b>	<b>24</b>	<b>–</b>
<b>End of period</b>	<b>19,229</b>	<b>44,377</b>	<b>3,280</b>	<b>5,377</b>	<b>193</b>	<b>606</b>	<b>24</b>	<b>–</b>

<b>Increase (decrease) in fund securities (note 7):</b>	<b>Securities</b>		<b>Securities</b>		<b>Securities</b>		<b>Securities</b>	
<b>Securities outstanding – beginning of period</b>	<b>4,585</b>	<b>2,219</b>	<b>518</b>	<b>273</b>	<b>62</b>	<b>–</b>	<b>–</b>	<b>–</b>
Issued	757	2,944	122	514	41	60	20	–
Reinvested distributions	313	205	32	26	5	2	–	–
Redeemed	(3,235)	(783)	(287)	(295)	(84)	–	(17)	–
<b>Securities outstanding – end of period</b>	<b>2,420</b>	<b>4,585</b>	<b>385</b>	<b>518</b>	<b>24</b>	<b>62</b>	<b>3</b>	<b>–</b>

	Series LF		Series LW		Total	
	\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>						
<b>Beginning of period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,195,549</b>	<b>760,217</b>
Increase (decrease) in net assets from operations	–	–	(26)	–	(87,762)	29,045
Distributions paid to securityholders:						
Investment income	–	–	(1)	–	(68,081)	(62,743)
Capital gains	–	–	–	–	–	–
Return of capital	–	–	–	–	(290)	(580)
Management fee rebates	–	–	–	–	(263)	(201)
Total distributions paid to securityholders	–	–	(1)	–	(68,634)	(63,524)
Security transactions:						
Proceeds from securities issued	1	–	195	–	184,707	1,162,194
Reinvested distributions	–	–	1	–	57,072	48,249
Payments on redemption of securities	–	–	–	–	(666,630)	(740,632)
Total security transactions	1	–	196	–	(424,851)	469,811
<b>Total increase (decrease) in net assets</b>	<b>1</b>	<b>–</b>	<b>169</b>	<b>–</b>	<b>(581,247)</b>	<b>435,332</b>
<b>End of period</b>	<b>1</b>	<b>–</b>	<b>169</b>	<b>–</b>	<b>614,302</b>	<b>1,195,549</b>

<b>Increase (decrease) in fund securities (note 7):</b>	<b>Securities</b>		<b>Securities</b>	
<b>Securities outstanding – beginning of period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Issued	–	–	20	–
Reinvested distributions	–	–	–	–
Redeemed	–	–	–	–
<b>Securities outstanding – end of period</b>	<b>–</b>	<b>–</b>	<b>20</b>	<b>–</b>

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

CANADA LIFE MUTUAL FUNDS

# MACKENZIE FLOATING RATE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

FIXED INCOME FUND

## STATEMENTS OF CASH FLOWS

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

	2020 \$	2019 \$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to securityholders from operations	(87,762)	29,045
Adjustments for:		
Net realized loss (gain) on investments	26,018	(18,835)
Change in net unrealized loss (gain) on investments	136,807	(1,356)
Purchase of investments	(467,811)	(1,388,598)
Proceeds from sale and maturity of investments	924,031	914,774
Change in accrued interest receivable	6,082	(2,884)
Change in dividends receivable	9	—
Change in due from manager	(27)	25
Change in margin on derivatives	(940)	—
Change in due to manager	14	(39)
<b>Net cash from operating activities</b>	<b>536,421</b>	<b>(467,868)</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	160,342	1,043,059
Payments on redemption of securities	(640,312)	(613,754)
Distributions paid net of reinvestments	(11,562)	(15,279)
<b>Net cash from financing activities</b>	<b>(491,532)</b>	<b>414,026</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>44,889</b>	<b>(53,842)</b>
Cash and cash equivalents at beginning of period	59,230	113,075
Effect of exchange rate fluctuations on cash and cash equivalents	(1,346)	(3)
<b>Cash and cash equivalents at end of period</b>	<b>102,773</b>	<b>59,230</b>
Cash	102,773	5,893
Cash equivalents	—	53,337
<b>Cash and cash equivalents at end of period</b>	<b>102,773</b>	<b>59,230</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	302	353
Foreign taxes paid	—	—
Interest received	78,922	70,795
Interest paid	9	2

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

CANADA LIFE MUTUAL FUNDS

# MACKENZIE FLOATING RATE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

**FIXED INCOME FUND**

## SCHEDULE OF INVESTMENTS

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS</b>					
AAC holdings Inc. Term Loan 1st Lien F/R 06-30-2023	United States	Term Loans	USD 3,122,695	3,915	1,926
Acrisure LLC Term Loan B 1st Lien F/R 01-31-2027	United States	Term Loans	USD 459,425	585	580
Adtalem Global Education Inc. Term Loan B 1st Lien F/R 04-09-2025	United States	Term Loans	USD 1,802,169	2,297	2,304
Aegis Toxicology Sciences Corp. Term Loan B 1st Lien F/R 05-09-2025	United States	Term Loans	USD 1,605,550	2,034	1,894
AerCap Holdings NV F/R 10-10-2079 Callable 2024	Ireland	Corporate - Non Convertible	USD 410,000	547	361
AerCap Ireland Capital Designated Activity Co. 4.88% 01-16-2024 Callable 2023	Ireland	Corporate - Non Convertible	USD 510,000	690	621
AG Merger Sub II Inc. Term Loan B 1st Lien F/R 08-01-2026	United States	Term Loans	USD 1,319,050	1,728	1,415
Alcami Carolinas Corp. Term Loan 1st Lien F/R 07-06-2025	United States	Term Loans	USD 4,284,750	5,612	5,557
Alchemy US Holdco LLC Term Loan B 1st Lien F/R 10-01-2025	United States	Term Loans	USD 8,696,999	11,143	10,852
American Teleconferencing Services Ltd. Term Loan 1st Lien F/R 06-08-2023	United States	Term Loans	USD 6,811,337	7,088	5,425
APCO Holdings Inc. Term Loan B 1st Lien F/R 06-06-2025	United States	Term Loans	USD 1,046,636	1,342	1,247
APFS Staffing Holdings Inc. Term Loan 1st Lien F/R 04-10-2026	United States	Term Loans	USD 4,079,175	5,342	4,744
Arconic Rolled Products Corp. Term Loan B 1st Lien F/R 02-04-2027	United States	Term Loans	USD 1,480,000	1,956	1,909
Ardonagh Midco 3 PLC 8.63% 07-15-2023 Callable 2020	United Kingdom	Corporate - Non Convertible	USD 600,000	707	769
Ascend Performance Materials Operations LLC Term Loan B 1st Lien F/R 08-16-2026	United States	Term Loans	USD 5,572,000	7,246	6,991
Ball Metalpack Finco LLC Term Loan B 1st Lien F/R 07-26-2025	United States	Term Loans	USD 1,330,062	1,730	1,446
Bausch Health Cos Inc. 5.50% 11-01-2025 Callable 144A	United States	Corporate - Non Convertible	USD 130,000	179	186
Baytex Energy Corp. 5.63% 06-01-2024 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 410,000	485	226
BCPE Cycle Merger Sub II Inc. 10.63% 07-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 490,000	653	584
Beasley Mezzanine Holdings LLC Term Loan 1st Lien F/R 11-16-2023	United States	Term Loans	USD 92,387	117	104
Bright Bidco BV Term Loan B 1st Lien F/R 06-30-2024	Netherlands	Term Loans	USD 1,072,798	1,282	573
Brookfield Residential Properties Inc. 6.25% 09-15-2027 Callable 2022 144A	Canada	Corporate - Non Convertible	USD 140,000	184	172
Bulldog Purchaser Inc. Term Loan B 1st Lien F/R 08-31-2025	United States	Term Loans	USD 4,455,773	5,836	5,193
BWAY Holding Co. 7.25% 04-15-2025 144A	United States	Corporate - Non Convertible	USD 1,815,000	2,347	2,009
C&D Technologies Inc. Term Loan B 1st Lien F/R 12-13-2025	United States	Term Loans	USD 4,647,205	5,462	5,929
Calceus Acquisition Inc. Term Loan B1 1st Lien F/R 02-08-2025	United States	Term Loans	USD 2,345,237	3,073	2,819
Calfrac Holdings LP 8.50% 06-15-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 40,000	45	5
California Resources Corp. 8.00% 12-15-2022 Callable 2020 144A	United States	Corporate - Non Convertible	USD 130,000	131	4
Canada Goose Inc. Term Loan 1st Lien F/R 12-02-2024	Canada	Term Loans	USD 2,732,656	3,423	3,833
Canada Housing Trust F/R 03-15-2024	Canada	Federal Government	5,000,000	4,998	4,953
Casablanca US Holdings Inc. Term Loan 1st Lien F/R 03-31-2024	United States	Term Loans	USD 8,751,400	11,240	10,118
CCO Holdings LLC 4.00% 03-01-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 50,000	63	71
CCS-CMGC Holdings Inc. Term Loan 1st Lien F/R 09-25-2025	United States	Term Loans	USD 2,573,554	3,299	2,912
CenturyLink Inc. Term Loan B 1st Lien F/R 03-15-2027	United States	Term Loans	USD 2,533,650	3,332	3,355
CenturyLink Inc. 4.00% 02-15-2027 Callable 2023 144A	United States	Corporate - Non Convertible	USD 140,000	183	190
CEVA Logistics Finance BV Term Loan B 1st Lien F/R 08-03-2025	United States	Term Loans	USD 5,825,975	7,429	4,600
Chemtrade Logistics Income Fund 4.75% 05-31-2024 Conv. Callable 2022	Canada	Corporate - Convertible	320,000	320	186
Chloe Ox Parent LLC Term Loan 1st Lien F/R 12-19-2024	United States	Term Loans	USD 561,930	716	665

**CANADA LIFE MUTUAL FUNDS**

# MACKENZIE FLOATING RATE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

FIXED INCOME FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Civitas Solutions Inc. Term Loan 1st Lien F/R 02-05-2026	United States	Term Loans	USD 3,089,711	4,033	3,960
Clarity Telecom LLC Term Loan 1st Lien F/R 06-27-2026	United States	Term Loans	USD 4,211,250	5,475	5,046
Commercial Vehicle Group Inc. Term Loan B 1st Lien F/R 03-30-2023	United States	Term Loans	USD 4,454,343	5,814	5,495
Commonwealth of Bahamas 5.75% 01-16-2024	Bahamas	Foreign Government	USD 230,000	250	302
Commonwealth of Bahamas 6.95% 11-20-2029	Bahamas	Foreign Government	USD 50,000	74	66
CommScope Technologies Finance LLC 8.25% 03-01-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 190,000	253	261
CommScope Technologies LLC 5.00% 03-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 400,000	461	489
Concrete Pumping Merger Sub Inc. Term Loan 1st Lien F/R 11-14-2025	United States	Term Loans	USD 4,352,805	5,597	5,400
Connect Finco SARL 6.75% 10-01-2026	United Kingdom	Corporate - Non Convertible	USD 470,000	623	558
Cook & Boardman Group LLC Term Loan 1st Lien F/R 10-12-2025	United States	Term Loans	USD 5,105,375	6,588	6,046
CoolSys Inc. Delayed Draw Term Loan 1st Lien F/R 12-31-2049	United States	Term Loans	USD 664,145	866	913
CoolSys Inc. Term Loan 1st Lien 12-31-2049	United States	Term Loans	USD 3,892,100	5,062	5,350
Crew Energy Inc. 6.50% 03-14-2024 Callable	Canada	Corporate - Non Convertible	190,000	190	115
Crown Subsea Communications Holding Inc. Term Loan 1st Lien F/R 11-02-2025	United States	Term Loans	USD 3,457,012	4,445	4,289
CVR Partners LP 9.25% 06-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 880,000	1,131	1,055
Dawn Acquisition LLC Term Loan 1st Lien F/R 10-25-2025	United States	Term Loans	USD 4,557,152	5,919	4,958
Deerfield Dakota Holding LLC Term Loan 1st Lien F/R 02-13-2025	United States	Term Loans	USD 2,673,000	3,523	3,721
Diamond Sports Group LLC 6.63% 08-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 270,000	352	255
DMT Solutions Global Corp. Term Loan 1st Lien F/R 06-25-2024	United States	Term Loans	USD 1,359,625	1,754	1,682
Drive Chassis Holdco LLC Term Loan 2nd Lien F/R 04-12-2026	United States	Term Loans	USD 2,420,000	3,065	2,473
DRW Holdings LLC Term Loan 1st Lien F/R 11-26-2026	United States	Term Loans	USD 1,915,200	2,517	2,444
Dynamic Energy Services International LLC Term Loan B 1st Lien F/R 12-31-2021	United States	Term Loans	USD 1,898,867	1,924	281
DynCorp International Inc. Term Loan B 1st Lien F/R 08-15-2025	United States	Term Loans	USD 3,550,750	4,586	4,305
EagleTree-Carbide Acquisition Corp. Term Loan 1st Lien F/R 08-28-2024	United States	Term Loans	USD 5,112,440	6,594	6,018
Eastern Power LLC Term Loan B 1st Lien F/R 10-02-2023	United States	Term Loans	USD 2,554,109	3,345	3,158
Edgewell Personal Care Co. Term Loan B 1st Lien F/R 09-20-2026	United States	Term Loans	USD 1,491,000	1,960	2,092
eG Global Finance PLC 6.75% 02-07-2025 Callable 2021 144A	United Kingdom	Corporate - Non Convertible	USD 1,110,000	1,495	1,304
Electrical Components International Inc. Term Loan 1st Lien F/R 06-22-2025	United States	Term Loans	USD 4,991,100	6,557	5,383
Electrical Components International Inc. Term Loan 2nd Lien F/R 06-22-2026	United States	Term Loans	USD 910,000	1,135	1,097
ENC Holding Corp. Term Loan 1st Lien F/R 05-30-2025	United States	Term Loans	USD 1,730,960	2,226	2,038
Ensono LP Term Loan 1st Lien F/R 04-30-2025	United States	Term Loans	USD 3,347,447	4,279	4,005
EnTrans International LLC Term Loan 1st Lien F/R 10-29-2025	United States	Term Loans	USD 5,402,000	7,017	6,550
Exela Intermediate LLC Term Loan B 1st Lien F/R 07-12-2023	United States	Term Loans	USD 2,621,504	3,392	1,016
Exela Intermediate LLC 10.00% 07-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 3,650,000	4,718	1,434
First American Payment Systems LP Term Loan B 1st Lien F/R 02-21-2027	United States	Term Loans	USD 3,950,000	5,197	4,914
First Eagle Holdings Inc. Term Loan B 1st lien F/R 02-17-2027	United States	Term Loans	USD 8,827,851	11,529	10,611
Forming Machining Industries Holdings LLC Term Loan 1st Lien F/R 10-03-2025	United States	Term Loans	USD 4,680,750	6,030	5,213

CANADA LIFE MUTUAL FUNDS

# MACKENZIE FLOATING RATE INCOME FUND

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**FIXED INCOME FUND**

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Foundation Building Materials LLC Term Loan B 1st Lien F/R 05-11-2025	United States	Term Loans	USD 2,063,875	2,626	2,568
Frontera Generation Holdings LLC Term Loan B 1st Lien F/R 04-25-2025	United States	Term Loans	USD 6,015,054	7,729	6,318
Fusion Connect Inc. Term Loan B 1st Lien F/R 05-03-2023	United States	Term Loans	USD 4,022,745	5,008	2,155
GBT III BV Term Loan 1st Lien F/R 02-27-2027	Netherlands	Term Loans	USD 3,075,000	4,029	3,793
GBT US III LLC Term Loan Delayed Draw 1st Lien F/R 02-27-2027	United States	Term Loans	USD 2,575,000	3,374	3,176
GEMS MENASA (Cayman) Ltd. Term Loan B 1st Lien F/R 07-30-2026	United Arab Emirates	Term Loans	USD 1,172,530	1,527	1,380
Gibson Energy Inc. 5.25% 07-15-2024 Callable 2020 REGS	Canada	Corporate - Non Convertible	922,000	920	930
GLOBALFOUNDRIES Inc. Term Loan B 1st Lien F/R 05-24-2026	United States	Term Loans	USD 11,592,400	15,420	14,056
Greenhill & Co. Inc. Term Loan B 1st Lien F/R 04-05-2024	United States	Term Loans	USD 2,268,000	3,022	2,830
Hadrian Merger Sub Inc. 8.50% 05-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 1,052,000	1,351	1,111
Halo Buyer Inc. Term Loan 1st Lien F/R 06-28-2025	United States	Term Loans	USD 2,308,932	3,012	2,669
Heritage Power LLC Term Loan B 1st Lien F/R 07-08-2026	United States	Term Loans	USD 6,437,650	8,178	7,489
Hyster-Yale Group Inc. Term Loan B 1st Lien F/R 05-30-2023	United States	Term Loans	USD 3,168,004	4,255	3,752
II-VI Inc. Term Loan B 1st Lien F/R 05-08-2026	United States	Term Loans	USD 5,472,500	7,215	6,468
Imagine! Print Solutions Inc. Term Loan 1st Lien F/R 06-21-2022	United States	Term Loans	USD 1,756,100	2,251	536
Innovative Water Care Global Corp. Term Loan 1st Lien F/R 02-27-2026	United States	Term Loans	USD 6,771,600	8,459	5,251
Institutional Shareholder Services Inc. Term Loan 1st Lien F/R 02-26-2026	United States	Term Loans	USD 3,860,950	5,086	4,545
Integro Ltd. United States Term Loan B1 1st Lien F/R 10-31-2022	United States	Term Loans	USD 2,537,018	3,153	3,523
Inter Pipeline Ltd. F/R 03-26-2079 Callable 2029	Canada	Corporate - Non Convertible	1,510,000	1,510	1,345
Inter Pipeline Ltd. F/R 11-19-2079 Callable 2029	Canada	Corporate - Non Convertible	450,000	450	378
Interior Logic Group Holdings IV LLC Term Loan B 1st Lien F/R 05-21-2025	United States	Term Loans	USD 4,540,801	5,817	5,569
International Textile Group Inc. Term Loan 2nd Lien F/R 04-19-2025	United States	Term Loans	USD 670,000	829	543
iQor US Inc. Term Loan 2nd Lien F/R 04-01-2022	United States	Term Loans	USD 3,600,000	4,008	1,430
Isagenix International LLC Term Loan 1st Lien F/R 04-26-2025	United States	Term Loans	USD 5,159,369	6,575	2,709
Jane Street Group LLC Term Loan B 1st Lien F/R 01-31-2025	United States	Term Loans	USD 3,461,325	4,569	4,428
Jefferies Finance LLC Term Loan 1st Lien F/R 05-21-2026	United States	Term Loans	USD 2,401,850	3,217	2,842
Keane Group Holdings LLC Term Loan B 1st Lien F/R 05-18-2025	United States	Term Loans	USD 6,356,775	8,146	6,004
Kestrel Acquisition LLC Term Loan B 1st Lien F/R 05-02-2025	United States	Term Loans	USD 4,248,020	5,571	3,601
Keyera Corp. F/R 06-13-2079 Callable 2029	Canada	Corporate - Non Convertible	1,620,000	1,622	1,441
Keystone Peer Review Organization Holdings Inc. Term Loan 1st Lien F/R 05-01-2024	United States	Term Loans	USD 722,430	967	840
Kruger Products LP 6.00% 04-24-2025 Callable 2021	Canada	Corporate - Non Convertible	540,000	540	501
L&W Inc. Term Loan 1st Lien F/R 05-17-2025	United States	Term Loans	USD 4,196,402	5,376	4,851
LABL Escrow Issuer LLC 10.50% 07-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 1,732,000	2,318	2,281
LifeMiles Ltd. Term Loan B 1st Lien F/R 08-18-2022	Colombia	Term Loans	USD 141,545	182	162
LifeScan Global Corp. Term Loan 1st Lien F/R 06-19-2024	United States	Term Loans	USD 8,391,029	10,834	9,509
LifeScan Global Corp. Term Loan 2nd Lien F/R 06-19-2025	United States	Term Loans	USD 2,290,000	2,857	2,171
LMBE-MC HoldCo II LLC Term Loan B 1st Lien F/R 11-15-2025	United States	Term Loans	USD 3,532,599	4,625	4,358
Matterhorn Merger Sub LLC 8.50% 06-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 2,254,000	2,885	2,571
McAfee LLC Term Loan B 1st Lien F/R 09-29-2024	United States	Term Loans	USD 1,138,442	1,500	1,517
Meredith Corp. Term Loan B 1st Lien F/R 01-31-2025	United States	Term Loans	USD 5,411,198	6,822	6,828

**CANADA LIFE MUTUAL FUNDS**

# MACKENZIE FLOATING RATE INCOME FUND

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**FIXED INCOME FUND**

## SCHEDULE OF INVESTMENTS (cont'd)

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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Meredith Corp. 6.88% 02-01-2026 Callable 2021	United States	Corporate - Non Convertible	USD 160,000	200	198
Metronet Systems Holding LLC Term Loan 1st Lien F/R 12-31-2049	United States	Term Loans	USD 3,416,830	4,492	4,600
Milk Specialties Co. Term Loan 1st Lien F/R 08-16-2023	United States	Term Loans	USD 1,249,436	1,594	1,286
Millar Western Forest Products Ltd. 9.50% 06-20-2023 Callable 2020	Canada	Corporate - Non Convertible	330,000	330	235
Minotaur Acquisition Inc. Term Loan 1st Lien F/R 02-27-2026	United States	Term Loans	USD 4,967,865	6,402	5,941
Mirion Technologies Inc. Term Loan B 1st Lien F/R 03-04-2026	United States	Term Loans	USD 1,889,540	2,481	2,397
Multi-Color Corp. Term Loan B 1st Lien F/R 06-17-2026	United States	Term Loans	USD 3,761,100	4,983	4,498
MyNEXUS Inc. Term Loan 1st Lien F/R 06-19-2024	United States	Term Loans	USD 4,208,750	5,427	5,666
Natel Engineering Co. Inc. Term Loan B 1st Lien F/R 04-29-2026	United States	Term Loans	USD 3,682,175	4,916	3,971
Neenah Foundry Co. Term Loan B 1st Lien F/R 12-08-2022	United States	Term Loans	USD 3,304,137	4,228	4,076
New Red Finance Inc. 5.00% 10-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 880,000	1,080	1,198
NuVista Energy Ltd. 6.50% 03-02-2023 Callable 2020	Canada	Corporate - Non Convertible	80,000	76	52
Office Depot Inc. Term Loan B 1st Lien F/R 11-08-2022	United States	Term Loans	USD 1,761,318	2,180	2,412
Orion Merger Sub Inc. Term Loan B 1st Lien F/R 03-04-2027	United States	Term Loans	USD 2,480,000	2,978	3,129
Oxbow Carbon LLC Term Loan B 1st Lien F/R 12-18-2022	United States	Term Loans	USD 1,810,500	2,323	2,233
Panther BF Aggregator 2 LP 6.25% 05-15-2026 144A	United States	Corporate - Non Convertible	USD 160,000	215	213
The Pasha Group Term Loan B 1st Lien F/R 12-13-2022	United States	Term Loans	USD 235,427	298	282
Petroleos De Venezuela SA 6.00% 05-16-2024	Venezuela	Corporate - Non Convertible	USD 1,340,000	428	151
Pisces Midco Inc. 8.00% 04-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 916,000	1,164	1,119
Pixelle Specialty Solutions LLC Term Loan B 1st Lien F/R 10-23-2024	United States	Term Loans	USD 1,514,975	1,933	1,891
Plaskolite PPC Intermediate II LLC Term Loan 1st Lien F/R 12-12-2025	United States	Term Loans	USD 3,772,250	4,936	4,640
PLH Group Inc. Term Loan 1st Lien F/R 08-06-2023	United States	Term Loans	USD 2,911,883	3,681	3,387
Pluto Acquisition I Inc. Term Loan 1st Lien F/R 06-18-2026	United States	Term Loans	USD 3,478,139	4,608	4,192
Polymer Process Holdings Inc. Term Loan 1st Lien F/R 04-29-2026	United States	Term Loans	USD 5,607,625	7,363	7,179
Premier Dental Services Inc. Term Loan B 1st Lien F/R 06-30-2023	United States	Term Loans	USD 1,971,245	2,564	2,751
Propulsion Acquisition LLC Term Loan 1st Lien F/R 07-13-2021	United States	Term Loans	USD 2,598,601	3,197	3,627
PS HoldCo LLC Term Loan 1st Lien F/R 03-02-2025	United States	Term Loans	USD 2,817,100	3,634	3,674
PSC Industrial Outsourcing LP Term Loan 2nd Lien F/R 10-05-2025	United States	Term Loans	USD 1,180,000	1,454	1,597
PSC Industrial Outsourcing LP Term Loan B 1st Lien F/R 10-05-2024	United States	Term Loans	USD 3,996,119	4,973	5,361
Quad/Graphics Inc. 7.00% 05-01-2022	United States	Corporate - Non Convertible	USD 560,000	615	664
Rayonier AM Products Inc. 5.50% 06-01-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 530,000	579	341
Renfro Corp. Term Loan B 1st Lien F/R 03-31-2021	United States	Term Loans	USD 7,043,719	8,750	4,717
REP WWEX Acquisition Parent LLC Term Loan 1st Lien F/R 01-02-2025	United States	Term Loans	USD 2,051,362	2,604	2,458
Research Now Group Inc. Term Loan 1st Lien F/R 12-20-2024	United States	Term Loans	USD 4,704,694	5,852	5,969
Research Now Group Inc. Term Loan 2nd Lien F/R 12-20-2025	United States	Term Loans	USD 375,000	456	411
Resolute Investment Managers Inc. Term Loan 2nd Lien F/R 04-30-2023	United States	Term Loans	USD 750,000	939	925
Rite Aid Corp. 6.13% 04-01-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 102,000	120	125
Rite Aid Corp. 7.50% 07-01-2025 Callable 2022	United States	Corporate - Non Convertible	USD 58,000	68	79
Rite Aid Corp. 7.70% 02-15-2027	United States	Corporate - Non Convertible	USD 170,000	221	187
Robertshaw US Holding Corp. Term Loan 1st Lien F/R 02-15-2025	United States	Term Loans	USD 8,682,404	10,649	7,804

**CANADA LIFE MUTUAL FUNDS**

# MACKENZIE FLOATING RATE INCOME FUND

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## SCHEDULE OF INVESTMENTS (cont'd)

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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Robertshaw US Holding Corp. Term Loan 2nd Lien F/R 02-15-2026	United States	Term Loans	USD 191,000	225	158
Russel Metals Inc. 6.00% 03-16-2026 Callable 2021	Canada	Corporate - Non Convertible	310,000	310	288
Sabre Industries Inc. Term Loan B 1st Lien F/R 04-09-2026	United States	Term Loans	USD 1,697,175	2,245	2,191
Shields Health Solutions Holdings LLC Term Loan 1st Lien F/R 08-13-2026	United States	Term Loans	USD 3,840,700	5,060	4,738
Sigma Bidco BV Term Loan B 1st Lien F/R 03-07-2025	Netherlands	Term Loans	EUR 3,296,000	5,225	4,714
Silgan Holdings Inc. 4.13% 02-01-2028 Callable 2022 144A	United States	Corporate - Non Convertible	USD 290,000	381	384
Sinclair Television Group Inc. 5.50% 03-01-2030 Callable 2024 144A	United States	Corporate - Non Convertible	USD 300,000	398	353
SIRVA Worldwide Inc. Term Loan 1st Lien F/R 07-31-2025	United States	Term Loans	USD 1,666,002	2,133	1,762
SMI Acquisition Inc. Term Loan 1st Lien F/R 10-27-2024	United States	Term Loans	USD 1,564,000	2,001	1,378
SMI Acquisition Inc. Term Loan 2nd Lien F/R 10-27-2025	United States	Term Loans	USD 470,000	597	404
Source Energy Services Canada LP 10.50% 12-15-2021 Callable 2020 144A	Canada	Corporate - Non Convertible	2,007,000	2,044	770
Springs Window Fashion Holdings Inc. Term Loan 2nd Lien F/R 05-24-2026	United States	Term Loans	USD 2,130,000	2,553	2,542
Sprint Corp. 7.88% 09-15-2023	United States	Corporate - Non Convertible	USD 130,000	178	202
SRS Distribution Inc. Term Loan B 1st Lien F/R 05-24-2025	United States	Term Loans	USD 2,852,850	3,720	3,539
SS&C Technologies Inc. Term Loan B5 1st Lien F/R 04-16-2025	United States	Term Loans	USD 1,394,450	1,825	1,860
St. Joseph Energy Center LLC Term Loan 1st Lien F/R 04-06-2025	United States	Term Loans	USD 4,188,878	5,395	5,226
Star West Generation LLC Term Loan B 1st Lien F/R 03-13-2020	United States	Term Loans	USD 1,662,075	1,951	2,261
Superior Industries International Inc. Term Loan B 1st Lien F/R 03-22-2024	United States	Term Loans	USD 2,542,700	3,331	2,671
Superior Plus LP 7.00% 07-15-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 930,000	1,233	1,287
Teneo Holdings LLC Term Loan B 1st Lien F/R 07-12-2025	United States	Term Loans	USD 6,437,650	8,066	7,442
Tensar International Corp. Term Loan 2nd Lien F/R 07-09-2022	United States	Term Loans	USD 818,118	865	989
Terex Corp. Term Loan 1st Lien F/R 01-31-2024	United States	Term Loans	USD 582,000	763	755
TerraForm Power Operating LLC 5.00% 01-31-2028 Callable 2027 144A	United States	Corporate - Non Convertible	USD 590,000	757	874
TerraForm Power Operating LLC 4.75% 01-15-2030 Callable 2025 144A	United States	Corporate - Non Convertible	USD 100,000	133	137
Terrier Media Buyer Inc. Term Loan B 1st Lien F/R 12-12-2026	United States	Term Loans	USD 4,588,500	6,017	5,871
Titan Sub LLC Term Loan B 1st Lien F/R 09-19-2026	United States	Term Loans	USD 3,277,785	4,304	3,939
Trico Group LLC Term Loan 1st Lien F/R 02-02-2024	United States	Term Loans	USD 1,366,693	1,646	1,686
Triton Solar US Acquisition Co. Term Loan B 1st Lien F/R 10-12-2024	United States	Term Loans	USD 1,482,250	1,797	1,663
Trulieve Cannabis Corp. 9.75% 06-18-2024	United States	Corporate - Non Convertible	USD 1,040,000	1,359	1,083
Ultra Clean Holdings Inc. Term Loan B 1st Lien F/R 08-27-2025	United States	Term Loans	USD 5,908,870	7,583	7,185
VeriFone Systems Inc. Term Loan 1st Lien F/R 08-09-2025	United States	Term Loans	USD 8,025,050	10,525	7,410
Vesta Energy Corp. 8.13% 07-24-2023 Callable 2020 144A	Canada	Corporate - Non Convertible	450,000	449	182
VIP Cineman Holdings Inc. Term Loan 1st Lien F/R 03-01-2023	United States	Term Loans	USD 4,708,682	6,131	1,195
VRX Escrow Corp. 6.13% 04-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 160,000	203	224
Vungle Inc. Term Loan B 1st Lien F/R 09-30-2026	United States	Term Loans	USD 3,639,206	4,753	4,579
Vyaire Medical Inc. Term Loan B 1st Lien F/R 04-06-2025	United States	Term Loans	USD 3,535,754	4,276	3,601
Western Dental Services Inc. Term Loan B 1st Lien F/R 06-30-2023	United States	Term Loans	USD 2,179,577	2,778	2,381
Wildbrain Ltd. 5.88% 09-30-2024 Conv.	Canada	Corporate - Convertible	210,000	197	137
Williams Scotsman International Inc. 7.88% 12-15-2022 Callable 2020 144A	United States	Corporate - Non Convertible	USD 594,000	762	816

CANADA LIFE MUTUAL FUNDS

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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Wolverine World Wide Inc. 8.50% 11-15-2024 Callable 2021 144A	United States	Corporate - Non Convertible	USD 1,450,000	1,903	1,661
Wolverine World Wide Inc. 13.13% 11-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 1,100,000	1,414	1,243
Yak Access LLC Term Loan B 1st Lien F/R 06-26-2025	United States	Term Loans	USD 1,113,205	1,420	1,161
Yak Access LLC Term Loan B 2nd Lien F/R 06-29-2026	United States	Term Loans	USD 940,000	1,150	828
Zotec Partners LLC Term Loan Term B 1st Lien F/R 02-14-2024	United States	Term Loans	USD 1,850,898	2,388	2,375
<b>Total bonds</b>				<b>634,005</b>	<b>551,235</b>
<b>EQUITIES</b>					
AltaGas Ltd. Pfd. Series K	Canada	Energy	44,940	1,124	749
Brookfield Asset Management Inc. Pfd. Series 46	Canada	Real Estate	20,792	520	420
Brookfield Asset Management Inc. Pfd. Series 48	Canada	Real Estate	21,480	537	425
Brookfield Renewable Partners LP Pfd. Series 11	Canada	Utilities	65,010	1,625	1,169
Chef Holdings Inc.	United States	Consumer Staples	75	—	—
Dynamic Energy Services International LLC	United States	Utilities	1,950,000	280	152
Source Energy Services Ltd.	Canada	Energy	15,474	145	2
TC Energy Corp. Pfd. Series 15	Canada	Energy	36,436	911	732
TransAlta Corp. Pfd. Series A	Canada	Utilities	61,359	810	492
Trulieve Cannabis Corp. Purchase Warrants Exp. 06-18-2022	United States	Health Care	22,540	—	51
Westcoast Energy Inc. 5.20% Cum. Red. First Pfd. Series 12	Canada	Utilities	14,700	370	304
<b>Total equities</b>				<b>6,322</b>	<b>4,496</b>
<b>OPTIONS</b>					
Options purchased (see schedule of options purchased)				198	1,691
<b>Total options</b>				<b>198</b>	<b>1,691</b>
Transaction costs				(52)	—
<b>Total investments</b>				<b>640,473</b>	<b>557,422</b>
Derivative instruments (see schedule of derivative instruments)					(51,771)
Cash and cash equivalents					102,773
Other assets less liabilities					5,878
<b>Total net assets</b>					<b>614,302</b>

# MACKENZIE FLOATING RATE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

FIXED INCOME FUND

## SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2020	
Portfolio Allocation	% of NAV
Bonds	90.0
<i>Bonds</i>	<i>89.7</i>
<i>Purchased options</i>	<i>0.3</i>
Cash and short-term investments	16.7
Equities	0.7
Other assets (liabilities)	(7.4)

Regional Allocation	% of NAV
United States	84.6
Cash and short-term investments	16.7
Canada	3.7
Netherlands	1.5
United Kingdom	0.4
United Arab Emirates	0.2
Ireland	0.2
Bahamas	0.1
Other assets (liabilities)	(7.4)

Sector Allocation	% of NAV
Term loans	83.0
Cash and short-term investments	16.7
Corporate bonds	5.8
Federal bonds	0.8
Utilities	0.4
Other	0.3
Energy	0.2
Financials	0.1
Foreign government bonds	0.1
Other assets (liabilities)	(7.4)

March 31, 2019	
Portfolio Allocation	% of NAV
Bonds	96.9
<i>Bonds</i>	<i>96.9</i>
<i>Purchased options</i>	<i>0.0</i>
Cash and short-term investments	5.0
Equities	0.5
Other assets (liabilities)	(2.4)

Regional Allocation	% of NAV
United States	81.8
Canada	11.3
Cash and short-term investments	5.0
Netherlands	1.7
Luxembourg	1.3
Colombia	0.5
United Kingdom	0.4
France	0.2
Ireland	0.1
Israel	0.1
Other assets (liabilities)	(2.4)

Sector Allocation	% of NAV
Term loans	86.0
Corporate bonds	8.4
Cash and short-term investments	5.0
Federal bonds	2.5
Other	0.5
Other assets (liabilities)	(2.4)

# MACKENZIE FLOATING RATE INCOME FUND

## SCHEDULE OF OPTIONS PURCHASED

As at March 31, 2020

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Paid (\$ 000s)	Fair Value (\$ 000s)
iShares iBoxx \$ High Yield Corporate Bond ETF	211	Put	May 15, 2020	USD 85.00	43	254
iShares iBoxx \$ High Yield Corporate Bond ETF	742	Put	Jun. 19, 2020	USD 86.00	112	1,054
iShares iBoxx \$ High Yield Corporate Bond ETF	248	Put	Jun. 19, 2020	USD 87.00	43	383
Total options					198	1,691

# MACKENZIE FLOATING RATE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

FIXED INCOME FUND

## SCHEDULE OF DERIVATIVE INSTRUMENTS

As at March 31, 2020

### Schedule of Forward Currency Contracts

Counterparty Credit Rating	Bought (\$ 000s)		Sold (\$ 000s)		Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized Gains (Losses) (\$ 000s)
AA	59,602	U.S. dollar	(83,610)	Canadian dollar	Apr. 3, 2020	83,610	84,008	398
A	37,350	U.S. dollar	(52,511)	Canadian dollar	Apr. 3, 2020	52,511	52,644	133
AA	18,103	Canadian dollar	(12,775)	U.S. dollar	Apr. 17, 2020	(18,103)	(17,987)	116
A	300	Euro	(465)	Canadian dollar	Apr. 20, 2020	465	466	1
A	8,600	U.S. dollar	(11,550)	Canadian dollar	Apr. 24, 2020	11,550	12,102	552
AA	8,600	U.S. dollar	(11,549)	Canadian dollar	Apr. 24, 2020	11,549	12,103	554
A	12,158	Canadian dollar	(8,600)	U.S. dollar	Apr. 24, 2020	(12,158)	(12,102)	56
A	7,350	U.S. dollar	(9,768)	Canadian dollar	May 8, 2020	9,768	10,337	569
A	4,500	U.S. dollar	(5,965)	Canadian dollar	May 8, 2020	5,965	6,330	365
A	8,600	U.S. dollar	(11,550)	Canadian dollar	May 8, 2020	11,550	12,097	547
A	5,380	U.S. dollar	(7,228)	Canadian dollar	Jun. 12, 2020	7,228	7,566	338
AA	26,715	Canadian dollar	(18,820)	U.S. dollar	Jul. 17, 2020	(26,715)	(26,458)	257
Unrealized Gains								3,886
A	88,013	Canadian dollar	(67,350)	U.S. dollar	Apr. 3, 2020	(88,013)	(94,929)	(6,916)
AA	77,876	Canadian dollar	(59,602)	U.S. dollar	Apr. 3, 2020	(77,876)	(84,008)	(6,132)
A	30,000	U.S. dollar	(43,092)	Canadian dollar	Apr. 3, 2020	43,092	42,284	(808)
AA	2,013	Canadian dollar	(1,380)	Euro	Apr. 17, 2020	(2,013)	(2,144)	(131)
AA	539	Canadian dollar	(370)	Euro	Apr. 17, 2020	(539)	(575)	(36)
AA	180	Euro	(281)	Canadian dollar	Apr. 17, 2020	281	279	(2)
AA	50	Euro	(78)	Canadian dollar	Apr. 17, 2020	78	77	(1)
AA	440	Euro	(688)	Canadian dollar	Apr. 17, 2020	688	684	(4)
AA	91,243	Canadian dollar	(70,100)	U.S. dollar	Apr. 17, 2020	(91,243)	(98,704)	(7,461)
A	2,761	Canadian dollar	(1,889)	Euro	Apr. 22, 2020	(2,761)	(2,933)	(172)
A	162	Canadian dollar	(105)	Euro	Apr. 22, 2020	(162)	(162)	—
A	279	Canadian dollar	(180)	Euro	Apr. 22, 2020	(279)	(279)	—
AA	40,405	Canadian dollar	(30,967)	U.S. dollar	Apr. 24, 2020	(40,405)	(43,580)	(3,175)
A	91,087	Canadian dollar	(69,688)	U.S. dollar	May 8, 2020	(91,087)	(98,022)	(6,935)
A	79,648	Canadian dollar	(60,936)	U.S. dollar	May 8, 2020	(79,648)	(85,712)	(6,064)
A	57,838	U.S. dollar	(81,745)	Canadian dollar	May 8, 2020	81,745	81,354	(391)
AA	36,383	Canadian dollar	(27,467)	U.S. dollar	May 22, 2020	(36,383)	(38,630)	(2,247)
A	52,760	Canadian dollar	(39,815)	U.S. dollar	Jun. 12, 2020	(52,760)	(55,987)	(3,227)
A	29,597	Canadian dollar	(22,331)	U.S. dollar	Jun. 12, 2020	(29,597)	(31,401)	(1,804)
AA	89,919	Canadian dollar	(67,253)	U.S. dollar	Jun. 19, 2020	(89,919)	(94,566)	(4,647)
A	97,646	Canadian dollar	(73,083)	U.S. dollar	Jun. 19, 2020	(97,646)	(102,763)	(5,117)
A	14,698	Canadian dollar	(10,670)	U.S. dollar	Jun. 19, 2020	(14,698)	(15,004)	(306)
AA	18,921	Canadian dollar	(13,500)	U.S. dollar	Jul. 10, 2020	(18,921)	(18,980)	(59)
A	21,559	Canadian dollar	(15,350)	U.S. dollar	Jul. 10, 2020	(21,559)	(21,581)	(22)
Unrealized (Losses)								(55,657)
Total forward currency contracts								(51,771)
Total derivative instruments at fair value								(51,771)

# MACKENZIE FLOATING RATE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

FIXED INCOME FUND

## NOTES TO FINANCIAL STATEMENTS

### 1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the periods ended or as at March 31, 2020 and 2019, as applicable. In the year a Fund or series is established or reinstated, 'period' represents the period from inception or reinstatement. Refer to Note 9 for the formation date of the Fund and the inception date of each series.

The Fund is organized as an open-ended mutual fund trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust as amended and restated from time to time. The address of the Fund's registered office is 180 Queen Street West, Toronto, Ontario, Canada. The Fund is authorized to issue an unlimited number of units (referred to as "security" or "securities") of multiple series. Series of the Fund are available for sale under Simplified Prospectus or exempt distribution options.

Mackenzie Financial Corporation ("Mackenzie") is the manager of the Fund and is wholly owned by IGM Financial Inc., a subsidiary of Power Corporation of Canada. The Canada Life Assurance Company is also a subsidiary of Power Corporation of Canada. Investments in companies within the Power Group of companies held by the Fund are identified in the Schedule of Investments.

### 2. Basis of Preparation and Presentation

These audited annual financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). A summary of the Fund's significant accounting policies under IFRS is presented in Note 3.

These financial statements are presented in Canadian dollars, which is the Fund's functional and presentation currency, and rounded to the nearest thousand unless otherwise indicated. These financial statements are prepared on a going concern basis using the historical cost basis, except for financial assets and liabilities that have been measured at fair value.

These financial statements were authorized for issue by the Board of Directors of Mackenzie Financial Corporation on July 13, 2020.

### 3. Significant Accounting Policies

#### (a) Financial instruments

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

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

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

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

Realized and unrealized gains and losses on investments are calculated based on the weighted average cost of investments and exclude commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income – Commissions and other portfolio transaction costs.

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

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

# MACKENZIE FLOATING RATE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

FIXED INCOME FUND

## NOTES TO FINANCIAL STATEMENTS

### 3. Significant Accounting Policies (cont'd)

#### (b) Fair value measurement

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

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

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

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

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

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

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

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

Premiums received from writing options are included in the Statement of Financial Position as a liability and subsequently adjusted daily to fair value. If a written option expires unexercised, the premium received is recognized as a realized gain. If a written call option is exercised, the difference between the proceeds of the sale plus the value of the premium, and the cost of the security is recognized as a realized gain or loss. If a written put option is exercised, the cost of the security acquired is the exercise price of the option less the premium received.

Refer to the Schedule of Derivative Instruments and Schedule of Options Purchased/Written, as applicable, included in the Schedule of Investments for a listing of derivative and options positions as at March 31, 2020.

#### (c) Income recognition

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

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

# MACKENZIE FLOATING RATE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

**FIXED INCOME FUND**

## NOTES TO FINANCIAL STATEMENTS

### 3. Significant Accounting Policies (cont'd)

#### (d) Commissions and other portfolio transaction costs

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

#### (e) Securities lending, repurchase and reverse repurchase transactions

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

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

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

#### (f) Offsetting

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

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

#### (g) Foreign currency

The functional and presentation currency of the Fund is Canadian dollars. Foreign currency purchases and sales of investments and foreign currency dividend and interest income and expenses are translated to Canadian dollars at the rate of exchange prevailing at the time of the transactions.

Foreign exchange gains (losses) on purchases and sales of foreign currencies are included in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net realized gain (loss).

The fair value of investments and other assets and liabilities, denominated in foreign currencies, are translated to Canadian dollars at the rate of exchange prevailing on each business day.

#### (h) Net assets attributable to securityholders per security

Net assets attributable to securityholders per security is computed by dividing the net assets attributable to securityholders of a series of securities on a business day by the total number of securities of the series outstanding on that day.

#### (i) Net asset value per security

The daily Net Asset Value ("NAV") of an investment fund may be calculated without reference to IFRS as per the Canadian Securities Administrators' ("CSA") regulations. The difference between NAV and Net assets attributable to securityholders (as reported in the financial statements), if any, is mainly due to differences in fair value of investments and other financial assets and liabilities. Refer to Note 9 for the Fund's NAV per security.

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

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

## NOTES TO FINANCIAL STATEMENTS

### 3. Significant Accounting Policies (cont'd)

#### (k) Mergers

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

### 4. Critical Accounting Estimates and Judgments

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

The outbreak of the novel coronavirus (COVID-19) developed rapidly over the first three months of 2020, with the World Health Organization declaring it a pandemic on March 11, 2020, and governments around the world enacting emergency measures that resulted in business disruptions, volatility in markets and a global economic slowdown.

The Manager uses judgment in assessing the impact from such events on assumptions and estimates applied in reporting the assets and liabilities in the Fund's financial statements at March 31, 2020.

The duration and impact of the COVID-19 pandemic on businesses and markets, and the extent of economic relief measures provided by governments and central banks, are unknown at the reporting date and it is therefore not possible to reliably estimate the impact on the financial results and position of the Fund in future periods.

#### Use of Estimates

##### *Fair value of securities not quoted in an active market*

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

#### Use of Judgments

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

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

##### *Functional currency*

The Fund's functional and presentation currency is the Canadian dollar, which is the currency considered to best represent the economic effects of the Fund's underlying transactions, events and conditions taking into consideration the manner in which securities are issued and redeemed and how returns and performance by the Fund are measured.

##### *Structured entities and associates*

In determining whether an unlisted open-ended investment fund or an exchange-traded fund in which the Fund invests, but that it does not consolidate, meets the definitions of either a structured entity or of an associate, Mackenzie is required to make significant judgments about whether these underlying funds have the typical characteristics of a structured entity or of an associate. Mackenzie has assessed the characteristics of these underlying funds and has concluded that they do not meet the definition of either a structured entity or of an associate because the Fund does not have contracts or financing arrangements with these underlying funds and the Fund does not have an ability to influence the activities of these underlying funds or the returns it receives from investing in these underlying funds.

# MACKENZIE FLOATING RATE INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

FIXED INCOME FUND

## NOTES TO FINANCIAL STATEMENTS

### 5. Income Taxes

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains in the taxation year, which is not paid or payable to its securityholders as at the end of the taxation year. It is the intention of the Fund to distribute all of its net income and sufficient net realized capital gains so that the Fund will not be subject to income taxes other than foreign withholding taxes, if applicable.

Losses of the Fund cannot be allocated to investors and are retained in the Fund for use in future years. Non-capital losses may be carried forward up to 20 years to reduce taxable income and realized capital gains of future years. Capital losses may be carried forward indefinitely to reduce future realized capital gains. Refer to Note 9 for the Fund's loss carryforwards.

### 6. Management Fees and Operating Expenses

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

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

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

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

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

### 7. Fund's Capital

The capital of the Fund, which is comprised of the net assets attributable to securityholders, is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at March 31, 2020 and 2019 and securities issued, reinvested and redeemed for the periods are presented in the Statement of Changes in Financial Position. Mackenzie manages the capital of the Fund in accordance with the investment objectives as discussed in Note 9.

### 8. Financial Instruments Risk

#### i. Risk exposure and management

The Fund's investment activities expose it to a variety of financial risks, as defined in IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7"). The Fund's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, as at March 31, 2020, grouped by asset type, with geographic and sector information.

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

## NOTES TO FINANCIAL STATEMENTS

### 8. Financial Instruments Risk (cont'd)

#### ii. Liquidity risk

Liquidity risk arises when the Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable securities. In order to monitor the liquidity of its assets, the Fund utilizes a liquidity risk management program that calculates the number of days to convert the investments held by the Fund into cash using a multi-day liquidation approach. This liquidity risk analysis assesses the Fund's liquidity against predetermined minimum liquidity percentages established for different time periods and is monitored quarterly. In addition, the Fund has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions.

In order to comply with securities regulations, the Fund must maintain at least 90% of its assets in liquid investments (i.e., investments that can be readily sold).

#### iii. Currency risk

Currency risk arises when the fair value of financial instruments that are denominated in a currency other than the Canadian dollar, which is the Fund's reporting currency, fluctuates due to changes in exchange rates. Note 9 summarizes the Fund's exposure, if applicable and significant, to currency risk.

#### iv. Interest rate risk

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

#### v. Other price risk

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

#### vi. Credit risk

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

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

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

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

#### vii. Underlying funds

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

# MACKENZIE FLOATING RATE INCOME FUND

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## NOTES TO FINANCIAL STATEMENTS

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

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

Date of Formation April 30, 2013

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

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

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

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

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

Series F and Series F5 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); they are also available to employees of Mackenzie and its subsidiaries, and directors of Mackenzie. Investors in Series F5 securities also want to receive a monthly cash flow of 5% per year. Before January 1, 2019, Series F5 securities were known as Series F6.

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

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

Series PW and Series PWT5 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 securities also want to receive a monthly cash flow of 5% per year. Before January 1, 2019, Series PWT5 securities were known as Series PWT6.

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

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

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

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

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

Series SC and Series S5 securities are offered to retail investors investing a minimum of \$500 (\$5,000 for Series S5) under the sales charge purchase option. Investors in Series S5 securities also want to receive a monthly cash flow of 5% per year. Before January 1, 2019, Series S5 securities were known as Series S6.

Series F8, Series FB5, Series O5, Series PWFB5, Series PWT8, Series PWX8 and Series T5 securities are no longer available for sale. Before January 1, 2019, Series O5 and Series T5 securities were known as Series O6 and Series T6, respectively.

Series PWF, Series PWF6 and Series PWF8 securities are no longer available for sale. Effective June 1, 2018, Series PWF, Series PWF6 and Series PWF8 securities were consolidated into Series F, Series F6 (now Series F5) and Series F8 securities, respectively.

# MACKENZIE FLOATING RATE INCOME FUND

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## NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

H Series securities are offered to investors investing a minimum of \$500, who are enrolled in a Quadrus-sponsored fee-for-service or wrap program and who are subject to an asset-based fee.

HW Series securities are offered to high net worth investors investing a minimum of \$100,000 and who have eligible minimum total holdings of \$500,000, who are enrolled in a Quadrus-sponsored fee-for-service or wrap program and who are subject to an asset-based fee.

L Series securities are offered to investors investing a minimum of \$100,000 and who have eligible minimum total holdings of \$500,000.

N Series securities are offered to investors investing a minimum of \$100,000, who have eligible minimum total holdings of \$500,000, and who have entered into an N type series account agreement with Mackenzie and Quadrus.

QF Series securities are offered to retail investors investing a minimum of \$500. Investors are required to negotiate their advisor service fee, which cannot exceed 1.25%, with their financial advisor.

QFW Series securities are offered to high net worth investors investing a minimum of \$100,000 and who have eligible minimum total holdings of \$500,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.25%, with their financial advisor.

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

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

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

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

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

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## NOTES TO FINANCIAL STATEMENTS

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

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

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Mar. 31, 2020	Mar. 31, 2019
Series A	May 6, 2013	1.55%	0.20%	8.20	9.99
Series AR	October 21, 2013	1.55%	0.23%	8.08	9.83
Series D	March 19, 2014	1.00%	0.15%	7.91	9.62
Series F	May 9, 2013	0.65% <sup>(3)</sup>	0.15%	8.17	9.95
Series F5 <sup>(7)</sup>	July 8, 2013	0.65% <sup>(3)</sup>	0.15%	11.29	13.84
Series F8	June 1, 2018	0.65%	0.15%	11.47	14.25
Series FB	October 26, 2015	0.75%	0.20%	8.38	10.20
Series FB5	October 26, 2015	0.75%	0.20%	12.29	15.05
Series O	June 7, 2013	— <sup>(1)</sup>	— *	8.17	9.95
Series O5 <sup>(7)</sup>	None issued <sup>(8)</sup>	— <sup>(1)</sup>	— *	—	—
Series PW	October 16, 2013	1.15%	0.15%	8.07	9.83
Series PWF	None issued <sup>(4)</sup>	0.65%	0.15%	—	—
Series PWF6	None issued <sup>(5)</sup>	0.65%	0.15%	—	—
Series PWF8	None issued <sup>(6)</sup>	0.65%	0.15%	—	—
Series PWFB	April 3, 2017	0.65%	0.15%	8.11	9.88
Series PWFB5	April 3, 2017	0.65%	0.15%	12.07	14.75
Series PWR	April 1, 2019	1.15%	0.15%	8.21	—
Series PWT5 <sup>(7)</sup>	April 3, 2017	1.15%	0.15%	11.75	14.39
Series PWT8	October 30, 2013	1.15%	0.15%	9.58	11.95
Series PWX	December 9, 2013	— <sup>(2)</sup>	— <sup>(2)</sup>	8.03	9.79
Series PWX8	May 25, 2015	— <sup>(2)</sup>	— <sup>(2)</sup>	10.84	13.34
Series R	August 27, 2013	— *	— *	8.08	9.84
Series S	January 13, 2015	— <sup>(1)</sup>	0.02%	8.21	10.00
Series SC	May 7, 2013	1.25%	0.20%	8.20	9.98
Series S5 <sup>(7)</sup>	June 26, 2013	1.25%	0.20%	10.91	13.34
Series T5 <sup>(7)</sup>	May 29, 2013	1.55%	0.20%	10.64	13.00
Quadrus Series <sup>(9)</sup>	July 7, 2014	1.55%	0.20%	7.86	9.57
H Series	July 7, 2014	0.75%	0.15%	7.80	9.50
HW Series	August 7, 2018	0.55%	0.15%	8.00	9.74
L Series	August 12, 2014	1.30%	0.15%	7.95	9.68
N Series	July 23, 2014	— <sup>(1)</sup>	— <sup>(1)</sup>	7.95	9.68
QF Series	July 12, 2016	0.75%	0.20%	8.51	10.37
QFW Series	August 7, 2018	0.55%	0.15%	8.00	9.74
Series LB	December 9, 2019	1.25%	0.20%	8.53	—
Series LF	December 9, 2019	0.65%	0.15%	8.47	—
Series LW	December 9, 2019	1.15%	0.15%	8.47	—

\* Not applicable.

CANADA LIFE MUTUAL FUNDS

# MACKENZIE FLOATING RATE INCOME FUND

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## NOTES TO FINANCIAL STATEMENTS

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

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

- (1) This fee is negotiable and payable directly to Mackenzie by investors in this series.
- (2) This fee is payable directly to Mackenzie by investors in this series through redemptions of their securities.
- (3) Prior to June 1, 2018, the management fee for this series was charged to the Fund at a rate of 0.75%.
- (4) The series' original start date was October 16, 2013. All securities in the series were consolidated into Series F on June 1, 2018.
- (5) The series' original start date was April 3, 2017. All securities in the series were consolidated into Series F6 (now Series F5) on June 1, 2018.
- (6) The series' original start date was July 19, 2014. All securities in the series were consolidated into Series F8 on June 1, 2018.
- (7) Before January 1, 2019, Series F5, Series O5, Series PWT5, Series S5 and Series T5 securities were known as Series F6, Series O6, Series PWT6, Series S6 and Series T6, respectively.
- (8) The series' original start date was September 23, 2013. All securities in the series were redeemed on January 17, 2019.
- (9) On August 17, 2020, Quadrus Series will be renamed Q Series.

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

As at March 31, 2020, Mackenzie, other funds managed by Mackenzie and The Canada Life Assurance Company had an investment of \$329, \$15,662 and \$184,356 (2019 – \$1,007, \$631 and \$291,869), respectively, in the Fund.

#### (c) Loss Carryforwards

As at the last taxation year-end, the Fund has capital losses of \$31,294 which may be carried forward indefinitely to reduce future realized capital gains.

#### (d) Securities Lending

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

	March 31, 2020	March 31, 2019
	(\$)	(\$)
Value of securities loaned	813	9,103
Value of collateral received	999	9,579

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

A reconciliation of the gross amount generated from the securities lending transactions to the security lending income to the Fund for the periods ended March 31, 2020 and 2019 is as follows:

	2020		2019	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	50	100.0	36	100.0
Tax withheld	(13)	(26.0)	(10)	(27.8)
	37	74.0	26	72.2
Payments to Securities Lending Agent	(9)	(18.0)	(7)	(19.4)
Securities lending income	28	56.0	19	52.8

# MACKENZIE FLOATING RATE INCOME FUND

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## NOTES TO FINANCIAL STATEMENTS

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

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

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

March 31, 2020				
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	2,096	(2,096)	—	—
Unrealized losses on derivative contracts	(17,395)	2,096	—	(15,299)
Liability for options written	—	—	—	—
Total	(15,299)	—	—	(15,299)

March 31, 2019				
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	880	—	—	880
Unrealized losses on derivative contracts	(739)	—	—	(739)
Liability for options written	—	—	—	—
Total	141	—	—	141

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

##### i. Risk exposure and management

The Fund seeks current income by investing primarily in floating-rate debt obligations and other floating-rate debt instruments of issuers anywhere in the world.

##### ii. Currency risk

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

March 31, 2020				
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure*
U.S. dollar	536,851	104,302	(619,589)	21,564
Euro	4,714	—	(4,587)	127
Total	541,565	104,302	(624,176)	21,691
% of Net Assets	88.2	17.0	(101.6)	3.6

# MACKENZIE FLOATING RATE INCOME FUND

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FIXED INCOME FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

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

Currency	March 31, 2019			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure*
U.S. dollar	1,102,254	59,511	(1,153,673)	8,092
Euro	9,028	65	(8,895)	198
Total	1,111,282	59,576	(1,162,568)	8,290
% of Net Assets	93.0	5.0	(97.2)	0.8

\* Includes both monetary and non-monetary financial instruments

As at March 31, 2020, had the Canadian dollar increased or decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have increased or decreased by approximately \$1,085 or 0.2% of total net assets (2019 – decreased or increased \$415 or 0.0%). In practice, the actual trading results may differ and the difference could be material.

##### iii. Interest rate risk

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

Bonds	March 31, 2020	March 31, 2019
	(\$)	(\$)
Less than 1 year	2,261	8,811
1-5 years	181,059	323,842
5-10 years	353,527	824,229
Greater than 10 years	14,388	1,642
Total	551,235	1,158,524

As at March 31, 2020, had prevailing interest rates increased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased by approximately \$1,648 or 0.3% (2019 – \$4,351 or 0.4%) of total net assets. Similarly, had prevailing interest rates decreased by 1%, with all other variables held constant, net assets would have increased by approximately \$1,691 or 0.3% (2019 – \$4,619 or 0.4%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

##### iv. Other price risk

The Fund's most significant exposure to price risk arises from its investment in equity securities. As at March 31, 2020, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased by approximately \$450 or 0.1% of total net assets (2019 – \$Nil or Nil%). In practice, the actual trading results may differ and the difference could be material.

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## NOTES TO FINANCIAL STATEMENTS

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

#### (f) 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, 2020, was 2.3% of the net assets of the Fund (2019 – 2.5%).

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

Bond Rating*	March 31, 2020	March 31, 2019
	% of Net Assets	% of Net Assets
AAA	0.8	2.5
AA	–	–
A	–	–
BBB	1.0	1.9
BB	17.3	20.8
B	49.9	59.8
Less than B	10.3	6.2
Unrated	10.4	5.7
Total	89.7	96.9

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

#### (g) Fair Value Classification

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

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

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

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

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

	March 31, 2020				March 31, 2019			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	323	550,912	–	551,235	273	1,158,251	–	1,158,524
Equities	4,344	–	152	4,496	5,725	–	–	5,725
Options	–	1,691	–	1,691	256	–	–	256
Derivative assets	–	3,886	–	3,886	–	2,312	–	2,312
Derivative liabilities	–	(55,657)	–	(55,657)	–	(7,916)	–	(7,916)
Short-term investments	–	–	–	–	–	53,337	–	53,337
Total	4,667	500,832	152	505,651	6,254	1,205,984	–	1,212,238

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

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

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

# MACKENZIE FLOATING RATE INCOME FUND

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## NOTES TO FINANCIAL STATEMENTS

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

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

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

	March 31, 2020
	Equities (\$)
Balance – beginning of period	–
Purchases	280
Sales	–
Transfers in	–
Transfers out	–
Gains (losses) during the period:	
Realized	–
Unrealized	(128)
Balance – end of period	152
Change in unrealized gains (losses) during the period attributable to securities held at end of period	(128)

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