

Interim Unaudited Financial Statements

For the Six-Month Period Ended September 30, 2011

These Interim Unaudited Financial Statements do not contain the Interim Management Report of Fund Performance ("MRFP") of the investment fund. You may obtain a copy of the Interim MRFP, at no cost, by calling the toll-free number 1-800-387-0614, by writing to us at Mackenzie Financial Corporation, 180 Queen Street West, Toronto, Ontario M5V 3K1, by visiting our website at www.mackenziefinancial.com or by visiting the SEDAR website at www.sedar.com. Copies of the Annual Financial Statements or Annual MRFP may also be obtained, at no cost, using any of the methods outlined above.

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

NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS

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

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

MACKENZIE SAXON BALANCED FUND



INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2011

CANADIAN BALANCED

STATEMENTS OF NET ASSETS

In thousands (except per security figures)

	September 30 2011	March 31 2011 (Audited)
	\$	\$
Assets		
Investments at fair value	1,006,545	1,126,244
Cash and short-term investments	31,039	48,482
Accrued interest and dividends receivable	4,869	4,806
Receivables for securities sold	5,026	4,688
Subscriptions receivable	329	3,369
Amounts receivable - derivative transactions	-	21
	<u>1,047,808</u>	<u>1,187,610</u>
Liabilities		
Payables for securities purchased	5,548	21,375
Redemptions payable	1,011	1,398
Operating expenses payable	-	-
	<u>6,559</u>	<u>22,773</u>
Net assets	<u>1,041,249</u>	<u>1,164,837</u>
Series net assets (note 2)		
Series A	652,084	710,816
Series F	6,041	6,931
Series F8	48	60
Series I	1,494	1,990
Series O	13,146	13,949
Series R	71,727	63,377
Series S	4,281	2,940
Series T6	12,456	12,895
Series T8	14,389	16,790
Investor Series	218,821	274,324
B-Series	43,189	55,548
Advisor Series	3,573	5,217
Net assets per security (note 2)		
Series A	11.22	13.01
Series F	11.30	13.03
Series F8	14.39	17.31
Series I	11.32	13.07
Series O	11.60	13.28
Series R	10.14	11.61
Series S	9.06	10.37
Series T6	14.78	17.70
Series T8	14.04	16.99
Investor Series	22.60	26.14
B-Series	24.16	27.65
Advisor Series	22.45	26.00

STATEMENTS OF OPERATIONS

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

	2011 \$	2010 \$
Income		
Dividends	8,873	5,219
Interest	6,710	3,895
Less withholding taxes	-	-
Revenue from securities lending	-	-
	<u>15,583</u>	<u>9,114</u>
Expenses (note 4)		
Management fees	10,492	6,026
Administration fees	1,329	824
Securityholder servicing fees	16	18
Filing fees	1	1
Audit fees	-	-
Securityholder reporting costs	1	-
Custody and valuation fees	1	-
Legal fees	-	-
Independent Review Committee fees	3	2
Interest charges	1	2
	<u>11,844</u>	<u>6,873</u>
Net investment income (loss) before absorbed expenses	3,739	2,241
Expenses absorbed by Manager	20	20
Net investment income (loss) for the periods	<u>3,759</u>	<u>2,261</u>
Realized gain (loss) on sale of investments	11,274	7,150
Change in unrealized appreciation (depreciation)	(178,661)	22,057
Transaction costs	(276)	(170)
Net gain (loss) on investments	<u>(167,663)</u>	<u>29,037</u>
Increase (decrease) in net assets from operations	<u>(163,904)</u>	<u>31,298</u>
Increase (decrease) in net assets from operations per series		
Series A	(103,397)	15,494
Series F	(941)	181
Series F8	(8)	1
Series I	(248)	119
Series O	(1,822)	619
Series R	(10,009)	241
Series S	(592)	-
Series T6	(1,993)	253
Series T8	(2,336)	403
Investor Series	(35,624)	11,057
B-Series	(6,293)	2,719
Advisor Series	(641)	211
Increase (decrease) from operations per security		
Series A	(1.79)	0.54
Series F	(1.71)	0.57
Series F8	(2.24)	0.77
Series I	(1.70)	0.52
Series O	(1.68)	0.61
Series R	(1.51)	0.61
Series S	(1.37)	-
Series T6	(2.41)	0.96
Series T8	(2.28)	0.73
Investor Series	(3.51)	0.99
B-Series	(3.44)	1.29
Advisor Series	(3.47)	0.97

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

MACKENZIE SAXON BALANCED FUND



INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2011

CANADIAN BALANCED

STATEMENTS OF CHANGES IN NET ASSETS

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

	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	Series A		Series F		Series F8		Series I		Series O	
	\$		\$		\$		\$		\$	
Net assets – beginning of period	710,816	269,386	6,931	3,047	60	17	1,990	2,580	13,949	11,599
Increase (decrease) in net assets from operations	(103,397)	15,494	(941)	181	(8)	1	(248)	119	(1,822)	619
Distributions paid to securityholders:										
Investment income	–	(111)	–	(6)	–	–	(1)	(5)	–	(44)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	(2)	(1)	–	–	–	–
Total distributions paid to securityholders	–	(111)	–	(6)	(2)	(1)	(1)	(5)	–	(44)
Security transactions:										
Proceeds from securities issued	107,175	145,870	1,025	1,385	–	1	36	57	1,068	15
Reinvested distributions	–	109	–	6	–	–	1	5	–	44
Value of securities redeemed	(62,510)	(22,684)	(974)	(341)	(2)	–	(284)	(65)	(49)	(30)
Total security transactions	44,665	123,295	51	1,050	(2)	1	(247)	(3)	1,019	29
Total increase (decrease) in net assets	(58,732)	138,678	(890)	1,225	(12)	1	(496)	111	(803)	604
Net assets – end of period	652,084	408,064	6,041	4,272	48	18	1,494	2,691	13,146	12,203
Increase (decrease) in fund securities (note 5):										
Securities outstanding – beginning of period	54,653	23,434	532	267	3	1	152	224	1,051	1,007
Issued	8,572	12,606	82	120	–	–	3	6	87	2
Reinvested distributions	–	9	–	1	–	–	–	–	–	4
Redeemed	(5,120)	(1,964)	(79)	(30)	–	–	(23)	(6)	(4)	(3)
Securities outstanding – end of period	58,105	34,085	535	358	3	1	132	224	1,134	1,010
	Series R		Series S		Series T6		Series T8		Investor Series	
	\$		\$		\$		\$		\$	
Net assets – beginning of period	63,377	–	2,940	–	12,895	2,003	16,790	7,377	274,324	266,324
Increase (decrease) in net assets from operations	(10,009)	241	(592)	–	(1,993)	253	(2,336)	403	(35,624)	11,057
Distributions paid to securityholders:										
Investment income	–	(3)	–	–	–	(1)	–	(3)	–	(182)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	(437)	(135)	(692)	(359)	–	–
Total distributions paid to securityholders	–	(3)	–	–	(437)	(136)	(692)	(362)	–	(182)
Security transactions:										
Proceeds from securities issued	20,444	8,495	2,409	–	3,177	5,119	1,721	4,010	6,468	6,849
Reinvested distributions	–	–	–	–	178	43	269	150	–	179
Value of securities redeemed	(2,085)	(1)	(476)	–	(1,364)	(426)	(1,363)	(775)	(26,347)	(22,585)
Total security transactions	18,359	8,494	1,933	–	1,991	4,736	627	3,385	(19,879)	(15,557)
Total increase (decrease) in net assets	8,350	8,732	1,341	–	(439)	4,853	(2,401)	3,426	(55,503)	(4,682)
Net assets – end of period	71,727	8,732	4,281	–	12,456	6,856	14,389	10,803	218,821	261,642
Increase (decrease) in fund securities (note 5):										
Securities outstanding – beginning of period	5,460	–	283	–	729	121	988	454	10,496	11,565
Issued	1,811	827	239	–	188	311	107	250	257	295
Reinvested distributions	–	–	–	–	11	3	17	9	–	8
Redeemed	(197)	–	(49)	–	(85)	(26)	(87)	(49)	(1,070)	(975)
Securities outstanding – end of period	7,074	827	473	–	843	409	1,025	664	9,683	10,893

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MACKENZIE SAXON BALANCED FUND



INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2011

CANADIAN BALANCED

STATEMENTS OF CHANGES IN NET ASSETS (cont'd)

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

	2011	2010	2011	2010	2011	2010
	B-Series		Advisor Series		Total	
	\$		\$		\$	
Net assets – beginning of period	55,548	50,113	5,217	5,112	1,164,837	617,558
Increase (decrease) in net assets from operations	(6,293)	2,719	(641)	211	(163,904)	31,298
Distributions paid to securityholders:						
Investment income	–	(211)	–	(2)	(1)	(568)
Capital gains	–	–	–	–	–	–
Return of capital	–	–	–	–	(1,131)	(495)
Total distributions paid to securityholders	–	(211)	–	(2)	(1,132)	(1,063)
Security transactions:						
Proceeds from securities issued	1,686	1,415	20	177	145,229	173,393
Reinvested distributions	–	211	–	2	448	749
Value of securities redeemed	(7,752)	(1,446)	(1,023)	(332)	(104,229)	(48,685)
Total security transactions	(6,066)	180	(1,003)	(153)	41,448	125,457
Total increase (decrease) in net assets	(12,359)	2,688	(1,644)	56	(123,588)	155,692
Net assets – end of period	43,189	52,801	3,573	5,168	1,041,249	773,250
Increase (decrease) in fund securities (note 5):						
Securities outstanding – beginning of period	2,009	2,091	201	223		
Issued	65	58	–	7		
Reinvested distributions	–	9	–	–		
Redeemed	(286)	(60)	(42)	(14)		
Securities outstanding – end of period	1,788	2,098	159	216		

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MACKENZIE SAXON BALANCED FUND



INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2011

CANADIAN BALANCED

STATEMENT OF INVESTMENTS

As at September 30, 2011

	Country	Sector	Par Value	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS					
407 International Inc. 4.65% 01-20-2012 Callable	Canada	Corporate - Non Convertible	1,500,000	1,548	1,514
Aéroports de Montreal 5.472% 04-16-2040 Callable	Canada	Corporate - Non Convertible	400,000	399	470
Algonquin Credit Card Trust 4.562% 06-15-2012	Canada	Asset Backed	1,172,000	1,150	1,196
AltaLink LP 5.43% 06-05-2013 Callable	Canada	Corporate - Non Convertible	2,500,000	2,702	2,660
American Express Canada Credit Corp. 5.90% 04-02-2013	Canada	Corporate - Non Convertible	400,000	400	421
American Express Canada Credit Corp. F/R 06-06-2014	Canada	Corporate - Non Convertible	1,300,000	1,300	1,282
American Express Canada Credit Corp. 4.853% 10-03-2014	Canada	Corporate - Non Convertible	300,000	300	317
Arrow Lakes Power Corp. 5.516% 04-05-2041	Canada	Corporate - Non Convertible	140,000	140	159
Australia and New Zealand Banking Group Ltd. 3.75% 01-22-2015	Australia	Corporate - Non Convertible	800,000	798	824
Bank of America Corp. 5.45% 09-17-2014	United States	Corporate - Non Convertible	1,100,000	1,099	1,079
Bank of Montreal 3.49% 06-10-2016 Callable	Canada	Corporate - Non Convertible	2,000,000	1,988	2,088
Bank of Montreal 3.979% 07-08-2021	Canada	Corporate - Non Convertible	4,870,000	4,885	5,052
Bank of Montreal 6.17% 03-28-2023 (F/R @ 03-28-2018) Callable 2018	Canada	Corporate - Non Convertible	1,250,000	1,310	1,454
The Bank of Nova Scotia F/R 04-20-2012	Canada	Corporate - Non Convertible	900,000	900	902
The Bank of Nova Scotia 5.30% 01-31-2018 (F/R @ 01-31-2013) Callable 2013	Canada	Corporate - Non Convertible	400,000	400	418
The Bank of Nova Scotia 4.99% 03-27-2018 (F/R @ 03-27-2013) Callable 2013	Canada	Corporate - Non Convertible	4,500,000	4,697	4,698
The Bank of Nova Scotia 6.00% 10-03-2018 (F/R @10-13-2013) Callable	Canada	Corporate - Non Convertible	800,000	800	862
BC Gas Utility Ltd. 10.30% 09-30-2016	Canada	Corporate - Non Convertible	1,700,000	2,315	2,315
Bell Aliant Regional Communications LP 4.95% 02-26-2014	Canada	Corporate - Non Convertible	2,600,000	2,695	2,742
Bell Aliant Regional Communications LP 4.88% 04-26-2018 Series MTN	Canada	Corporate - Non Convertible	1,250,000	1,250	1,313
Bell Aliant Regional Communications LP 5.52% 02-26-2019	Canada	Corporate - Non Convertible	600,000	600	640
Bell Canada 4.85% 06-30-2014 Callable	Canada	Corporate - Non Convertible	700,000	737	748
Bell Canada 3.60% 12-02-2015 Callable	Canada	Corporate - Non Convertible	3,000,000	2,991	3,111
Bell Canada 4.95% 05-19-2021 Callable	Canada	Corporate - Non Convertible	850,000	847	907
BMW Canada Inc. 3.052% 09-22-2014	Canada	Corporate - Non Convertible	518,278	518	520
Caisse Centrale Desjardins 3.114% 12-04-2014	Canada	Corporate - Non Convertible	600,000	600	616
Caisse Centrale Desjardins 3.502% 10-05-2017	Canada	Corporate - Non Convertible	730,000	730	748
Canada Housing Trust No. 1 F/R 09-15-2014	Canada	Federal Government	2,300,000	2,329	2,315
Canada Housing Trust No. 1 F/R 09-15-2016	Canada	Federal Government	27,600,000	27,602	27,446
Canada Housing Trust F/R 09-15-2015	Canada	Federal Government	4,000,000	4,000	3,994
Canada Housing Trust 2.75% 06-15-2016	Canada	Federal Government	6,970,000	6,999	7,309
Canadian Capital Auto Receivables Asset Trust 2.002% 11-17-2012	Canada	Asset Backed	137,645	138	139
Canadian Credit Card Master Trust 3.444% 07-24-2015	Canada	Asset Backed	1,700,000	1,700	1,770
Canadian Imperial Bank of Commerce 3.40% 04-14-2016	Canada	Corporate - Non Convertible	630,000	629	655
Canadian Imperial Bank of Commerce 4.11% 04-30-2020	Canada	Corporate - Non Convertible	2,300,000	2,423	2,418
Canadian Tire Corp. Ltd. 5.65% 06-01-2016	Canada	Corporate - Non Convertible	300,000	303	336
Canadian Western Bank F/R 04-26-2013	Canada	Corporate - Non Convertible	1,400,000	1,400	1,396
Capital Desjardins Inc. 3.797% 11-23-2020 Callable 2015	Canada	Corporate - Non Convertible	2,350,000	2,350	2,395
Cards II Trust 1.275% 05-15-2012	Canada	Asset Backed	1,000,000	1,000	1,002
Cards II Trust 3.333% 05-15-2016	Canada	Corporate - Non Convertible	800,000	800	831
CDP Financial Inc. F/R 07-15-2015	Canada	Corporate - Non Convertible	3,200,000	3,207	3,198
CHIP Mortgage Trust 3.973% 02-01-2016	Canada	Corporate - Non Convertible	750,000	750	784

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MACKENZIE SAXON BALANCED FUND



INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2011

CANADIAN BALANCED

STATEMENT OF INVESTMENTS (cont'd)

As at September 30, 2011

	Country	Sector	Par Value	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
CI Financial Corp. 3.30% 12-17-2012	Canada	Corporate - Non Convertible	1,000,000	1,000	1,015
CI Financial Corp. 3.94% 12-14-2016 Callable	Canada	Corporate - Non Convertible	2,700,000	2,705	2,811
City of Montreal 5.00% 12-01-2017	Canada	Municipal Governments	900,000	904	1,015
City of Montreal 5.00% 12-01-2018	Canada	Municipal Governments	500,000	496	560
City of Montreal 5.50% 12-01-2024	Canada	Municipal Governments	1,200,000	1,248	1,397
City of Toronto 4.85% 07-28-2016	Canada	Municipal Governments	2,500,000	2,643	2,814
City of Toronto 5.05% 07-18-2017	Canada	Municipal Governments	1,600,000	1,648	1,825
City of Toronto 4.50% 12-02-2019	Canada	Municipal Governments	400,000	400	440
Claret Trust 4.712% 05-15-2033	Canada	Mortgage Backed	58,493	58	59
Commonwealth Bank of Australia 3.625% 10-14-2014	Australia	Corporate - Non Convertible	800,000	799	815
Commonwealth Bank of Australia 5.15% 04-09-2020	Australia	Corporate - Non Convertible	1,000,000	997	1,066
The Co-operators Financial Services Ltd. 5.07% 07-20-2012 Callable	Canada	Corporate - Non Convertible	500,000	500	511
CU Inc. 5.556% 10-30-2037 Callable	Canada	Corporate - Non Convertible	600,000	600	713
Daimler Canada Finance Inc. F/R 10-15-2012	Canada	Corporate - Non Convertible	1,400,000	1,400	1,395
Emera Inc. 4.10% 10-20-2014	Canada	Corporate - Non Convertible	3,400,000	3,516	3,587
Enbridge Gas Distribution Inc. 4.95% 11-22-2050 Callable	Canada	Corporate - Non Convertible	1,000,000	998	1,106
Enbridge Pipelines Inc. 6.62% 11-19-2018 Callable	Canada	Corporate - Non Convertible	200,000	200	249
Enbridge Pipelines Inc. 5.08% 12-19-2036 Callable	Canada	Corporate - Non Convertible	1,700,000	1,647	1,889
Enbridge Pipelines Inc. 5.35% 11-10-2039 Callable	Canada	Corporate - Non Convertible	1,000,000	999	1,159
EnCana Corp. 4.30% 03-12-2012	Canada	Corporate - Non Convertible	2,000,000	2,075	2,025
EnCana Corp. 5.80% 01-18-2018	Canada	Corporate - Non Convertible	1,680,000	1,676	1,945
EPCOR Utilities Inc. 5.75% 11-24-2039 Callable	Canada	Corporate - Non Convertible	700,000	699	812
Fairfax Financial Holdings Ltd. 6.40% 05-21-2021	Canada	Corporate - Non Convertible	1,250,000	1,245	1,241
Financement-Quebec F/R 06-02-2016	Canada	Provincial Governments	3,650,000	3,617	3,621
Financement-Quebec 5.25% 06-01-2034	Canada	Provincial Governments	900,000	920	1,069
First Capital Realty Inc. 5.60% 04-30-2020 Callable	Canada	Corporate - Non Convertible	1,770,000	1,804	1,849
Ford Auto Securitization Trust 6.341% 01-15-2014	Canada	Asset Backed	900,000	900	933
FortisBC Energy Inc. 6.00% 10-02-2037	Canada	Corporate - Non Convertible	1,200,000	1,196	1,501
Glacier Credit Card Trust 5.027% 02-20-2013	Canada	Asset Backed	2,000,000	2,002	2,091
Golden Credit Card Trust 3.824% 05-15-2015	Canada	Corporate - Non Convertible	1,000,000	1,000	1,056
Golden Credit Card Trust 3.51% 05-15-2016	Canada	Corporate - Non Convertible	1,950,000	1,950	2,038
Government of Canada 3.75% 06-01-2012	Canada	Federal Government	1,500,000	1,536	1,528
Government of Canada 3.00% 06-01-2014	Canada	Federal Government	200,000	210	210
Government of Canada 2.00% 12-01-2014	Canada	Federal Government	600,000	597	617
Government of Canada 2.50% 06-01-2015	Canada	Federal Government	800,000	833	838
Government of Canada 3.00% 12-01-2015	Canada	Federal Government	3,000,000	3,203	3,210
Government of Canada 2.00% 06-01-2016	Canada	Federal Government	600,000	616	618
Government of Canada 4.00% 06-01-2017	Canada	Federal Government	3,900,000	4,257	4,422
Government of Canada 3.50% 06-01-2020	Canada	Federal Government	34,520,000	35,413	38,510
Government of Canada 4.25% 12-01-2021 Real Return	Canada	Federal Government	350,000	710	709
Government of Canada 5.75% 06-01-2029	Canada	Federal Government	5,780,000	7,300	8,294
Government of Canada 4.00% 06-01-2041	Canada	Federal Government	5,820,000	7,006	7,258
Government of Canada 2.00% 12-01-2041 Real Return	Canada	Federal Government	1,250,000	1,490	1,773
Greater Toronto Airports Authority 4.70% 02-15-2016 Callable	Canada	Corporate - Non Convertible	1,790,000	1,901	1,971
Greater Toronto Airports Authority 5.26% 04-17-2018 Callable	Canada	Corporate - Non Convertible	840,000	837	966
Greater Toronto Airports Authority 5.96% 11-20-2019 Callable	Canada	Corporate - Non Convertible	1,300,000	1,475	1,568
HBOS PLC 5.109% 06-21-2017 Callable	United Kingdom	Corporate - Non Convertible	760,000	760	547
Health Montreal Collective LP 6.721% 09-30-2049	Canada	Corporate - Non Convertible	1,200,000	1,200	1,357

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MACKENZIE SAXON BALANCED FUND



INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2011

CANADIAN BALANCED

STATEMENT OF INVESTMENTS (cont'd)

As at September 30, 2011

	Country	Sector	Par Value	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
HSBC Bank Canada 3.558% 10-04-2017	Canada	Corporate - Non Convertible	3,300,000	3,295	3,382
HSBC Financial Corp. Ltd. 4.35% 10-06-2011	Canada	Corporate - Non Convertible	2,000,000	1,997	2,000
Hydro One Inc. 2.95% 09-11-2015 Callable	Canada	Corporate - Non Convertible	2,500,000	2,520	2,582
Hydro One Inc. 5.36% 05-20-2036	Canada	Corporate - Non Convertible	900,000	882	1,038
ING Bank of Canada 4.30% 12-05-2016 Callable 2011	Canada	Corporate - Non Convertible	2,000,000	1,908	1,720
Kommunalbanken AS 3.74% 05-27-2021 Callable 2016	Norway	Foreign Government	1,400,000	1,400	1,470
Korea Gas Corp. 4.58% 05-12-2016	South Korea	Corporate - Non Convertible	850,000	850	896
Manulife Financial Capital Trust					
7.405% 12-31-2019 (F/R @ 12-15-2019) Callable 2019	Canada	Corporate - Non Convertible	700,000	700	783
Manulife Financial Corp. 4.896% 06-02-2014	Canada	Corporate - Non Convertible	1,300,000	1,308	1,369
Manulife Financial Corp. 5.161% 06-26-2015 Callable	Canada	Corporate - Non Convertible	1,100,000	1,100	1,180
Manulife Financial Corp. 7.768% 04-08-2019	Canada	Corporate - Non Convertible	700,000	746	858
Master Credit Card Trust 3.502% 05-21-2016	Canada	Corporate - Non Convertible	1,850,000	1,850	1,932
Metropolitan Life Global Funding I 4.45% 11-08-2013	United States	Corporate - Non Convertible	600,000	599	625
National Australia Bank Ltd. 4.19% 07-20-2015	Australia	Corporate - Non Convertible	1,300,000	1,304	1,359
National Bank of Canada 4.03% 05-26-2015	Canada	Corporate - Non Convertible	2,000,000	2,000	2,125
National Bank of Canada 3.58% 04-26-2016	Canada	Corporate - Non Convertible	1,400,000	1,400	1,467
NAV CANADA F/R 04-29-2013	Canada	Corporate - Non Convertible	1,300,000	1,300	1,301
NAV CANADA 5.304% 04-17-2019	Canada	Corporate - Non Convertible	200,000	200	232
NBC Asset Trust					
7.447% Perpetual (F/R @ 06-30-2020) Callable 2020	Canada	Corporate - Non Convertible	1,700,000	1,737	2,038
NHA Mortgage Backed Securities 2.35% 03-01-2016	Canada	Mortgage Backed	2,691,203	2,745	2,735
Plenary Properties LTAP LP 6.288% 01-31-2044	Canada	Corporate - Non Convertible	570,000	603	684
Province of Ontario 4.20% 06-02-2020	Canada	Provincial Governments	930,000	1,014	1,018
Province of Ontario 6.50% 03-08-2029	Canada	Provincial Governments	9,200,000	11,401	12,607
Province of Ontario 4.65% 06-02-2041	Canada	Provincial Governments	4,540,000	5,223	5,268
Province of Quebec 4.50% 12-01-2018	Canada	Provincial Governments	1,300,000	1,317	1,458
Province of Quebec 4.50% 12-01-2020	Canada	Provincial Governments	20,060,000	21,064	22,287
Province of Quebec 5.00% 12-01-2041	Canada	Provincial Governments	3,430,000	3,799	4,114
PSP Capital Inc. 2.94% 12-03-2015 Callable	Canada	Federal Government	1,500,000	1,499	1,559
Rabobank Nederland NV 3.125% 02-05-2015	Netherlands	Corporate - Non Convertible	400,000	399	414
Regional Municipality of York 5.00% 04-29-2019	Canada	Municipal Governments	600,000	637	682
RioCan Real Estate Investment Trust 4.499% 01-21-2016 Callable	Canada	Corporate - Non Convertible	200,000	206	206
Rogers Communications Inc. 5.80% 05-26-2016 Callable	Canada	Corporate - Non Convertible	1,000,000	1,094	1,118
Rogers Communications Inc. 4.70% 09-29-2020 Callable	Canada	Corporate - Non Convertible	1,060,000	1,061	1,073
Rogers Communications Inc. 6.56% 03-22-2041	Canada	Corporate - Non Convertible	1,360,000	1,360	1,479
Royal Bank of Canada F/R 04-15-2014	Canada	Corporate - Non Convertible	2,000,000	2,000	1,980
Royal Bank of Canada					
5.00% 06-06-2018 (F/R @ 06-06-2013) Callable 2013	Canada	Corporate - Non Convertible	4,700,000	4,909	4,932
Royal Bank of Canada 3.35% 10-01-2020	Canada	Mortgage Backed	884,952	870	916
Royal Office Finance LP 5.209% 11-12-2032	Canada	Corporate - Non Convertible	2,208,085	2,186	2,542
Schooner Trust 3.97% 09-12-2020	Canada	Mortgage Backed	735,994	744	774
Schooner Trust 4.71% 02-12-2021	Canada	Mortgage Backed	400,000	400	434
Schooner Trust 4.757% 10-12-2038	Canada	Mortgage Backed	400,000	400	429
Shaw Communications Inc. 5.65% 10-01-2019	Canada	Corporate - Non Convertible	400,000	399	427
Shaw Communications Inc. 5.50% 12-07-2020	Canada	Corporate - Non Convertible	1,100,000	1,096	1,147
Shaw Communications Inc. 6.75% 11-09-2039	Canada	Corporate - Non Convertible	400,000	397	404
St. George Bank Ltd. 4.65% 04-23-2017	Australia	Corporate - Non Convertible	600,000	600	607

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

MACKENZIE SAXON BALANCED FUND



INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2011

CANADIAN BALANCED

STATEMENT OF INVESTMENTS (cont'd)

As at September 30, 2011

	Country	Sector	Par Value/ No. of Shares	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
Sun Life Capital Trust II 5.863% 12-31-2019 Callable 2019	Canada	Corporate - Non Convertible	400,000	400	427
Sun Life Financial Inc. 5.70% 07-02-2019 Callable	Canada	Corporate - Non Convertible	1,150,000	1,205	1,286
Sun Life Financial Inc. 5.59% 01-30-2023 (F/R @ 01-30-2018) Callable 2018	Canada	Corporate - Non Convertible	1,050,000	1,072	1,135
TD Capital Trust IV 6.631% 06-30-2021 Callable 2021	Canada	Corporate - Non Convertible	400,000	400	456
Teranet Holdings LP 3.531% 12-16-2015	Canada	Corporate - Non Convertible	4,100,000	4,094	4,242
Teranet Holdings LP 6.10% 06-17-2041	Canada	Corporate - Non Convertible	2,800,000	2,799	2,924
Toronto Hydro Corp. 6.11% 12-30-2011	Canada	Corporate - Non Convertible	1,000,000	1,069	1,011
Toronto Hydro Corp. 5.15% 11-14-2017	Canada	Corporate - Non Convertible	300,000	300	342
The Toronto-Dominion Bank 3.25% 12-01-2020	Canada	Mortgage Backed	1,720,490	1,663	1,768
The Toronto-Dominion Bank 5.60% 06-01-2024	Canada	Mortgage Backed	621,875	680	745
Union Gas Ltd. 5.35% 04-27-2018 Callable	Canada	Corporate - Non Convertible	200,000	200	230
Union Gas Ltd. 8.65% 11-10-2025	Canada	Corporate - Non Convertible	850,000	1,202	1,280
Vancouver International Airport Authority 5.02% 11-13-2015	Canada	Corporate - Non Convertible	2,000,000	2,101	2,228
VW Credit Canada Inc. 2.55% 11-18-2013	Canada	Corporate - Non Convertible	4,000,000	3,995	4,037
Wells Fargo Financial Canada Corp. 4.33% 12-06-2013	Canada	Corporate - Non Convertible	2,000,000	1,985	2,090
Westpac Banking Corp. 3.75% 12-01-2014	Canada	Corporate - Non Convertible	900,000	897	934
Total bonds				323,496	338,833
EQUITIES					
Agrium Inc.	Canada	Materials	213,200	10,712	14,871
Alimentation Couche-Tard Inc. Class B Sub. voting	Canada	Consumer Staples	468,500	7,008	13,718
ARC Resources Ltd.	Canada	Energy	332,300	8,385	7,470
Bank of Montreal	Canada	Financials	154,500	7,874	9,038
Bombardier Inc. Class B Sub. voting	Canada	Industrials	3,400,000	18,328	12,376
CAE Inc.	Canada	Industrials	1,009,000	9,072	9,918
Canadian Imperial Bank of Commerce	Canada	Financials	320,000	22,950	23,398
Canadian National Railway Co.	Canada	Industrials	228,800	13,487	15,959
Canadian Natural Resources Ltd.	Canada	Energy	696,400	23,327	21,352
Canadian Pacific Railway Ltd.	Canada	Industrials	318,100	17,068	16,010
Canadian Tire Corp. Ltd. Class A non-voting	Canada	Consumer Discretionary	242,400	13,866	13,817
Dorel Industries Inc. Class B Sub. voting	Canada	Consumer Discretionary	373,314	11,613	8,250
Eastern Platinum Ltd.	Canada	Materials	6,464,100	10,038	4,525
Enbridge Inc.	Canada	Energy	482,388	10,184	16,136
EnCana Corp.	Canada	Energy	853,939	24,588	17,164
Exco Technologies Ltd.	Canada	Industrials	596,100	2,392	1,943
Flint Energy Services Ltd.	Canada	Energy	1,045,100	13,914	10,315
Genworth MI Canada Inc.	Canada	Financials	761,217	18,105	15,361
Goldcorp Inc.	Canada	Materials	411,000	15,277	19,650
IAMGOLD Corp.	Canada	Materials	901,500	15,246	18,679
Industrial Alliance Insurance and Financial Services Inc.	Canada	Financials	238,997	6,369	7,344
Kinross Gold Corp.	Canada	Materials	609,100	10,212	9,429
Linamar Corp.	Canada	Consumer Discretionary	1,036,787	16,278	14,038
Loblaw Companies Ltd.	Canada	Consumer Staples	514,100	18,438	20,214
Magna International Inc.	Canada	Consumer Discretionary	325,800	15,200	11,253
Manulife Financial Corp.	Canada	Financials	1,195,000	21,114	14,221
Maple Leaf Foods Inc.	Canada	Consumer Staples	44,900	471	509
Methanex Corp.	Canada	Materials	369,000	7,371	8,033

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

MACKENZIE SAXON BALANCED FUND



INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2011

CANADIAN BALANCED

STATEMENT OF INVESTMENTS (cont'd)

As at September 30, 2011

	Country	Sector	No. of Shares	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
National Bank of Canada	Canada	Financials	197,500	12,509	13,772
Nexen Inc.	Canada	Energy	416,900	9,349	6,770
North American Palladium Ltd.	Canada	Materials	1,228,900	6,432	3,269
Pan American Silver Corp.	Canada	Materials	182,000	5,001	5,107
Patheon Inc.	Canada	Health Care	2,112,052	8,646	2,957
Potash Corp. of Saskatchewan Inc.	Canada	Materials	296,000	12,249	13,403
Power Corp. of Canada Sub. Voting*	Canada	Financials	797,600	20,154	18,281
Progressive Waste Solutions Ltd.	Canada	Industrials	840,100	15,186	18,121
Rogers Communications Inc. Class B non-voting	Canada	Telecommunication Services	267,326	8,149	9,586
Royal Bank of Canada	Canada	Financials	589,600	29,098	28,217
Savanna Energy Services Corp.	Canada	Energy	810,900	5,170	5,871
ShawCor Ltd. Class A Sub. voting	Canada	Energy	626,300	15,645	15,163
Sherritt International Corp.	Canada	Materials	1,879,133	12,392	8,155
Sun Life Financial Inc.	Canada	Financials	528,100	17,005	13,160
Suncor Energy Inc.	Canada	Energy	753,500	24,236	20,096
Talisman Energy Inc.	Canada	Energy	967,500	14,836	12,423
Teck Resources Ltd. Class B	Canada	Materials	414,700	15,563	12,690
TELUS Corp. Class A non-voting	Canada	Telecommunication Services	358,094	13,003	17,353
Thompson Creek Metals Co. Inc.	Canada	Materials	879,000	8,706	5,582
Thomson Reuters Corp.	Canada	Consumer Discretionary	610,500	23,216	17,314
The Toronto-Dominion Bank	Canada	Financials	368,464	24,241	27,362
TransCanada Corp.	Canada	Energy	442,800	16,485	18,788
Transcontinental Inc. Class A Sub. voting	Canada	Industrials	906,140	13,484	9,832
West Fraser Timber Co. Ltd.	Canada	Materials	240,005	10,105	9,449
Total equities				709,747	667,712
Transaction costs				(773)	–
Total investments				1,032,470	1,006,545
Cash and short-term investments					31,039
Other assets less liabilities					3,665
Total net assets					1,041,249

* Related to Mackenzie. See Note 1.

NOTES TO FINANCIAL STATEMENTS

1. The information provided in these financial statements and notes thereto is for the six-month periods ended or as at September 30, 2011 and 2010, except for the comparative information presented in the Statements of Net Assets and notes thereto, which is as at March 31, 2011, as applicable. In the year a Fund or series is established or reinstated, 'period' represents the period from inception or reinstatement to the period end of that fiscal year. Refer to Note 8 for the formation date of the Fund and the inception date of each series.

Mackenzie Financial Corporation ("Mackenzie") is the manager of the Fund and is wholly owned by IGM Financial Inc., a subsidiary of Power Financial Corporation, which itself is a subsidiary of Power Corporation of Canada. The Great-West Life Assurance Company, London Life Insurance Company and The Canada Life Assurance Company (collectively, the "Related Insurance Companies") are wholly owned by Great-West Lifeco Inc., which is also a subsidiary of Power Financial Corporation. Investments in companies within the Power Group of companies held by the Fund are identified in the Statement of Investments.

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.

2. **Significant Accounting Policies**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and follow the same accounting policies and methods as those used in preparing the annual financial statements. GAAP requires management to make estimates and assumptions that affect the amounts, primarily valuation of investments, reported in the financial statements. Actual results may differ from such estimates.

- (a) Valuation

In accordance with the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3862, Financial Instruments – Disclosures ("Section 3862") all financial instruments measured and reported at fair value are classified into one of three levels that distinguish fair value measurements by the inputs used for valuation. These classifications have been disclosed in Note 8.

The fair value of investments as at the financial reporting period end is determined as follows:

Investments listed on a public securities exchange or traded on an over-the-counter market are valued at the closing bid price. Where no closing bid price is available, the last sale or close price is used. 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 bid, 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.

Short-term notes are valued at the closing bid price. If the closing bid price is not available, such short-term notes are valued at cost plus accrued interest, which approximates fair value. Short-term notes held by the Fund are included in the Statements of Net Assets – Cash and short-term investments.

Other assets and liabilities are recorded at cost as they are short-term in nature and cost approximates fair value.

- (b) Investment transactions and income recognition

Investment transactions are accounted for on a trade date basis. Income from investments is recognized on an accrual basis. Interest income is accrued based on the number of days the investment is held during the period. Dividends are accrued as of the ex-dividend date. 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 or realized gains (losses) on sale of investments, as appropriate.

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

Transaction costs related to purchases and sales of investments are expensed and included in the Statements of Operations – Transaction costs.

- (c) Derivative transactions

Certain funds may use derivatives (such as options, futures, forward contracts, swaps or customized derivatives) to hedge against losses caused by changes in securities prices, interest rates or exchange rates. Certain funds 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 each Fund's portfolio manager(s), provided that the use of the derivative is consistent with each Fund's investment objectives. Any use of derivatives will comply with Canadian mutual fund laws, subject to the regulatory exemptions granted to the funds, as applicable. Refer to "Exemptions from National Instrument 81-102" in the Annual Information Form of each Fund for further details, including the complete conditions of these exemptions.

NOTES TO FINANCIAL STATEMENTS**2. Significant Accounting Policies (cont'd)****(c) Derivative transactions (cont'd)**

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 Statements of Operations – Change in unrealized appreciation (depreciation).

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 Statements of Net Assets – Margin on futures contracts or swaps. Any change in the variation margin requirement is settled daily.

Premiums received from writing options are included in the Statements of Net Assets 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.

Realized gains and losses from derivative instruments that are specific economic hedges are accounted for in the same manner as the underlying investments being hedged. Realized gains and losses from derivative instruments that are not specific economic hedges, but rather are used to gain exposure to a particular market, are included in the Statements of Operations – Income (loss) from derivative contracts.

Refer to the Schedule of Derivative Instruments and Schedule of Options on Equities, as applicable, included in the Statement of Investments for a listing of derivative and options positions as at September 30, 2011.

(d) Securities lending, repurchase and reverse repurchase transactions

Certain funds are permitted to enter into securities lending, repurchase and reverse repurchase transactions as set out in each 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. 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 recognized on an accrual basis and included in the Statements of Operations – Revenue from securities lending.

(e) Foreign exchange

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 Statements of Operations – Realized gain (loss) on sale of investments.

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.

(f) Net assets per security

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

(g) Net asset value per security

The Canadian Securities Administrators (“CSA”) amended its regulations effective September 8, 2008 such that the daily Net Asset Value (“NAV”) of an investment fund may be calculated without reference to GAAP. The difference between NAV and Net Assets (as reported in the financial statements) is mainly due to valuing securities at bid for financial statement purposes while NAV typically utilizes closing price to determine fair value. Refer to Note 8 for the Fund's NAV per security.

(h) Increase (decrease) from operations per security

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

NOTES TO FINANCIAL STATEMENTS

3. 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 incurred in 2006 and later may be carried forward up to 20 years, and non-capital losses incurred prior to 2006 may be carried forward up to 10 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 8 for the Fund's loss carryforwards.

4. 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, including any implementation period adjustments, ("Administration Fee"), as applicable, 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, fees and expenses of the Mackenzie Funds' Independent Review Committee (IRC), any new fees related to external services that were not commonly charged in the Canadian mutual fund industry as of June 15, 2007 and the costs of complying with any new regulatory requirements after June 15, 2007.

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 8 for the management fee and Administration Fee rates charged to each series of securities.

5. Fund's Capital

The capital of the Fund is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at September 30, 2011 and 2010 and securities issued, reinvested and redeemed for the period are presented in the Statements of Changes in Net Assets. Mackenzie manages the capital of the Fund in accordance with the investment objectives as discussed in Note 8.

6. Financial Instruments Risk

i. Risk exposure and management

The Fund's investment activities expose it to a variety of financial risks, as defined in Section 3862. The Fund's exposure to financial risks is concentrated in its investments, which are presented in the Statement of Investments, as at September 30, 2011, grouped by asset type, with geographic and sector information.

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

ii. Liquidity risk

Liquidity risk arises when the Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable securities. In accordance with securities regulations, the Fund must maintain at least 90% of its assets in liquid investments (i.e., investments that can be readily sold). In addition, the Fund retains sufficient cash and short-term investment positions to maintain adequate liquidity. The Fund also has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions.

NOTES TO FINANCIAL STATEMENTS

6. Financial Instruments Risk (cont'd)

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 8 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 short-term investments do not expose the Fund to significant amounts of interest rate risk. Note 8 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 strategy. Except for options written and futures contracts, the maximum risk resulting from financial instruments is equivalent to their fair value. The maximum risk of loss on options written and futures contracts is equal to their notional values. However, options written are 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. In addition, in the case of short futures contracts, the loss to the Fund continues to increase, without limit, as the fair value of the underlying interest increases. Note 8 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 8 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 September 30 and March 31, 2011.

Certain funds may enter into securities lending transactions with counterparties and certain funds may be exposed to credit risk from the counterparties to the derivative instruments used by the funds. Credit risk associated with these transactions is considered minimal as all counterparties have an approved credit rating equivalent to a Standard & Poor's credit rating of not less than A-1 (low) on their short-term debt and of A on their long-term debt.

vii. Underlying funds

Certain funds that invest in underlying funds 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 8 summarizes the Fund's exposure, if applicable and significant, to these risks from underlying funds.

7. Future Accounting Standards

As previously confirmed by the Canadian Accounting Standards Board ("AcSB"), most Canadian publicly accountable entities adopted International Financial Reporting Standards ("IFRS"), as published by the International Accounting Standards Board, on January 1, 2011. However, the AcSB has allowed most investment funds to defer adoption of IFRS until fiscal years beginning on or after January 1, 2013. Accordingly, the Fund will adopt IFRS for its fiscal period beginning April 1, 2013, and will issue its initial financial statements in accordance with IFRS, including comparative information, for the interim period ending September 30, 2013.

NOTES TO FINANCIAL STATEMENTS

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

(a) Fund Formation and Series Information

Date of Formation December 10, 1985

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 Net Assets.

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

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

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

Series F8 securities are offered to investors who are enrolled in a dealer-sponsored fee-for-service or wrap program, who are subject to an asset-based fee rather than commissions on each transaction, who invest at least \$5,000 and who want to receive a regular monthly cash flow of 8% per year.

Series I securities are offered to retail investors investing a minimum of \$500 in a qualified group plan with a minimum of \$20,000,000 in assets, or investors investing a minimum of \$500,000 who participate in the Portfolio Architecture Service or Open Architecture Service.

Series O securities are offered to investors investing a minimum of \$500,000 who have entered into a Series O account agreement with Mackenzie, and also available to certain qualifying employees of Mackenzie and its subsidiaries.

Series O6 securities are offered to investors investing a minimum of \$500,000 who want to receive a monthly cash flow of 6% per year, and who have entered into a Series O account agreement with Mackenzie, and are also available to certain qualifying employees of Mackenzie and its subsidiaries.

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 Related Insurance Companies and certain other mutual funds, but may be sold to other investors as determined by Mackenzie.

Series T6 securities are offered to retail investors investing a minimum of \$5,000 who want to receive a regular monthly cash flow of 6% per year.

Series T8 securities are offered to retail investors investing a minimum of \$5,000 who want to receive a regular monthly cash flow of 8% per year.

Investor Series securities are offered to retail investors investing a minimum of \$5,000 whose dealer has agreed to accept a reduced trailing commission.

B-Series securities are offered primarily to certain high net worth and institutional investors, including other investment funds, who invest a minimum of \$1,000,000; they are also available to certain qualifying employees of Mackenzie and its subsidiaries. Mackenzie may waive the minimum investment amount for certain employees of Mackenzie and its subsidiaries.

Advisor Series securities are no longer available for sale.

An investor in the Fund may choose among different purchase options that are available under each series. These purchase options are a sales charge purchase option, a redemption charge purchase option and a low-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.

NOTES TO FINANCIAL STATEMENTS

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

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

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Sep. 30, 2011	Mar. 31, 2011
Series A	June 5, 2009	2.00%	0.23%	11.26	13.02
Series AR	None issued	2.00%	0.27%	—	—
Series F*	June 5, 2009	1.00%	0.23%	11.34	13.04
Series F8	June 5, 2009	1.00%	0.24%	14.43	17.34
Series I	June 5, 2009	1.35%	0.24%	11.35	13.09
Series O	June 5, 2009	— ⁽¹⁾	— ⁽¹⁾	11.63	13.29
Series O6	None issued	— ⁽²⁾	— ⁽²⁾	—	—
Series R	July 20, 2010	— ⁽³⁾	— ⁽³⁾	10.17	11.62
Series S	January 6, 2011	— ⁽⁴⁾	0.025%	9.09	10.39
Series T6	June 5, 2009	2.00%	0.23%	14.83	17.72
Series T8	June 5, 2009	2.00%	0.23%	14.08	17.01
Investor Series	December 10, 1985	1.60% ⁽⁵⁾	0.27% ⁽⁶⁾	22.67	26.17
B-Series	May 14, 2002	— ⁽⁷⁾	—**	24.23	27.69
Advisor Series	January 7, 2008	2.00%	0.14% ⁽⁶⁾	22.52	26.04

* Effective September 25, 2009, F-Series securities of the Fund were redesignated to Series F securities.

** Not applicable.

(1) The management and administration fees for Series O securities are negotiable and are payable directly to Mackenzie by Series O investors, not by the Fund. Prior to November 3, 2010, the administration fee rate for Series O securities was 0.15%, which was paid directly to Mackenzie by the Fund.

(2) The management and administration fees for Series O6 securities are negotiable and are payable directly to Mackenzie by Series O6 investors, not by the Fund.

(3) No management fees or administration fees are charged to the investor or the Fund in respect of the Series R securities.

(4) The management fee for Series S securities is negotiable by the investor and payable directly to Mackenzie by Series S investors, not by the Fund.

(5) Effective September 25, 2009, the management fee for Investor Series was changed from 1.75% to 1.60%.

(6) Effective September 25, 2009.

(7) Investors in B-Series securities pay a discretionary management fee directly to Mackenzie.

(b) Investments by Mackenzie, Other Funds and Related Insurance Companies

As at September 30, 2011, Mackenzie, other funds managed by Mackenzie and Related Insurance Companies had an investment of \$1, \$71,727 and \$4,281 (March 31, 2011 – \$1, \$63,377 and \$2,940), respectively, in the Fund.

(c) Loss Carryforwards

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

(d) Securities Lending

As at September 30, 2011 and March 31, 2011, the fund did not enter into securities lending, repurchase or reverse repurchase transactions.

(e) Commissions

The brokerage commissions paid to certain dealers included an amount of \$25 (2010 – \$36) that was available for payment to third party vendors for the provision of investment decision making services. This amount represented 9.0% (2010 – 21.3%) of the total commissions and other transaction costs paid during the period.

NOTES TO FINANCIAL STATEMENTS

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

(f) Change in Adviser

Effective September 1, 2010, the Fund's portfolio adviser, Howson Tattersall Investment Counsel Limited, previously a subsidiary of Mackenzie, was amalgamated with Mackenzie. The amalgamation had no material effect on the management of the Fund as the portfolio management team continued with their existing mandate.

(g) Risks Associated with Financial Instruments

i. Risk exposure and management

The Fund seeks long-term capital growth and income by investing primarily in Canadian equities, fixed income securities, and money market investments. The Fund uses a value style of investing and will normally invest 40% to 70% of its assets in equities and the rest in fixed income securities. The Fund may hold up to 30% of its assets in foreign investments.

ii. Currency risk

As of September 30, 2011 and March 31, 2011, the Fund did not have a significant exposure to currency risk.

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.

	September 30, 2011	March 31, 2011
	(\$)	(\$)
Bonds		
Less than 1 year	11,689	30,646
1-5 years	129,789	89,024
5-10 years	129,861	141,854
Greater than 10 years	67,494	72,368
Total	338,833	333,892

As at September 30, 2011, had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$21,847 or 2.1% of total net assets (March 31, 2011 – \$20,439 or 1.8%). In practice, the actual trading results may differ and the difference could be material.

iv. Other price risk

For this Fund, the most significant exposure to price risk arises from its investment in equity securities. As at September 30, 2011, 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 \$66,771 or 6.4% of total net assets (March 31, 2011 – \$79,235 or 6.8%). In practice, the actual trading results may differ and the difference could be material.

NOTES TO FINANCIAL STATEMENTS

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

(g) 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 of September 30, 2011, was 10.6% of the net assets of the Fund (March 31, 2011 – 8.6%).

As of September 30, 2011 and March 31, 2011, debt securities by credit rating are as follows:

Rating*	September 30, 2011	March 31, 2011
	Percent of Total Bonds (%)	Percent of Total Bonds (%)
AAA	41.2	39.1
AA	22.1	25.2
A	28.2	28.3
BBB	8.5	7.4
Less than BBB	–	–
Unrated	–	–
Total	100.0	100.0

*Credit ratings and rating categories are based on DBRS (or equivalent ratings issued by other approved credit rating organizations)

(h) 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.

	September 30, 2011				March 31, 2011			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	338,833	–	338,833	–	333,892	–	333,892
Equities	667,712	–	–	667,712	764,535	–	–	764,535
Mutual funds	–	–	–	–	27,817	–	–	27,817
Total investments	667,712	338,833	–	1,006,545	792,352	333,892	–	1,126,244
Derivative assets	–	–	–	–	–	21	–	21
Short-term investments	–	31,038	–	31,038	–	47,411	–	47,411
Total	667,712	369,871	–	1,037,583	792,352	381,324	–	1,173,676

For the period ended September 30, 2011, bonds positions with a fair value of \$Nil (March 31, 2011 – \$643) were transferred from Level 1 to Level 2 as a result of changes in activities in the market for those bonds.



NOTES TO FINANCIAL STATEMENTS

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

(h) 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 September 30, 2011 and March 31, 2011:

	September 30, 2011	March 31, 2011
	Bonds (\$)	Bonds (\$)
Balance – beginning of period	–	3
Purchases	–	–
Sales	–	(261)
Net transfers in (out)	–	–
Gains (losses) during the period:		
Realized	–	(23)
Unrealized	–	281
Balance – end of period	–	–
Unrealized gains (losses) during the period attributable to securities held at end of period	–	–