

MACKENZIE MULTI-STRATEGY ABSOLUTE RETURN FUND

Series F | Monthly commentary | March 2021



MACKENZIE
Investments

INVESTMENT STRATEGY & HIGHLIGHTS

Alternative mutual funds may use leverage and shorting to isolate and magnify alternative risk premia, factor exposures, alpha sources, and reduce the influence of traditional market beta on performance. Mackenzie Multi-Strategy Absolute Return Fund combines numerous independent alternative strategies according to a structured risk budgeting framework to create a well-diversified portfolio that aims to offer an attractive expected return over a market cycle with low volatility and low beta exposure to global equity markets. This combination of strategies may provide a stabilizing influence on a traditional portfolio, especially when broad equity and fixed income markets are challenged.

FUND SNAPSHOT

As of March 31, 2021

Inception	23-May-18
Benchmark	FTSE TMX Canada 91-Day T-Bill Index
AUM	\$100,153,896
Management Fee	1.00%
MER	1.32%
Performance Fee	None
Redemption Notice	None
Min. Investment	\$500
NAVPU	\$8.62

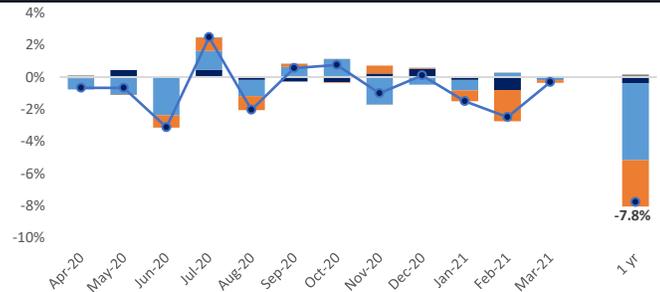
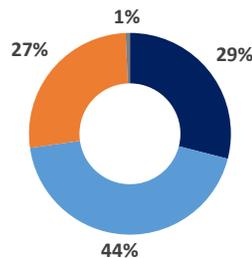
PERFORMANCE & PORTFOLIO ANALYSIS

Monthly Performance Net of Fees (Series F, %)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	SI (Ann.)
2021	-1.5%	-2.5%	-0.3%										-4.3%	-3.6%
2020	0.4%	-0.9%	-2.3%	-0.7%	-0.7%	-3.1%	2.5%	-2.0%	0.6%	0.8%	-1.0%	0.1%	-6.4%	
2019	0.5%	-0.5%	1.2%	-0.6%	-0.6%	2.1%	0.9%	0.5%	-0.8%	-0.2%	-0.1%	0.7%	3.1%	
2018					0.0%	-0.2%	0.3%	-0.3%	0.2%	-1.4%	-1.1%	-0.1%	-2.5%	

STRATEGY SLEEVE ALLOCATION

NET 1 YR RETURN CONTRIBUTION BY STRATEGY SLEEVE



■ Global Macro ■ Equity Market Neutral ■ Absolute Return Fixed Inc. ■ Risk Management Overlay ● MSAR Total Fund

RISK TOLERANCE

Low	Moderate	High

STRATEGY SLEEVE ESTIMATED NET CONTRIBUTION TO MONTHLY RETURN

As of March 31, 2021

Global Macro	-0.1%
Equity Market Neutral	-0.1%
Absolute Return Fixed Income	-0.2%
Risk Management Overlay	0.0%
Total (net of series F fees)	-0.3%

PORTFOLIO STATS SERIES F

As of March 31, 2021

Total Return (Ann. Since Inception)	-3.6%
Standard Deviation (Ann. Since Inception)	4.5%
Target Volatility Range	5-9%
Value at Risk	-3.0%
Leverage	1.4X
Equity Beta	0.1
Equity Correlation	0.3
Max Drawdown	-12.6%

PORTFOLIO CHARACTERISTICS

As of March 31, 2021

Equity Exposure	29%
*Gross Exposure	230%
Gross Notional Long	135%
Gross Notional Short	95%

*This exposure measure does not take hedging activities into consideration.

MACRO OUTLOOK HIGHLIGHTS

Central banks have already provided unprecedented monetary accommodation with direct asset purchases and policy rates of around zero. US fiscal stimulus will be a further boost as Joe Biden's US \$1.9T proposal builds on top of the almost \$900B package approved in December. At the same time, the rollout of vaccines by H2 2021 may unleash pent-up consumer demand, especially in those sectors hardest hit by the pandemic, such as travel, hospitality, and personal services. Overheating in the US is a key macro risk that will depend on households' response to the stimulus money about to swell their wallets. Biden's \$2.3 trillion broadly defined infrastructure proposal could provide a further boost to growth, although implementation delays and accompanying tax increases could result in an underwhelming macro effect.

MSARF HIGHLIGHTS

Our global macro strategy is long equities with put protection and the commodity portfolio is positioned to outperform in the event inflation surprises to the upside. The value and quality factors performed well in March and contributed to strong results from our market neutral alpha strategies. Emerging markets bonds lost momentum and exposure was cut in our absolute return fixed income strategy.

GLOBAL MACRO

Net long exposure to government bonds, the Swedish Krona (vs. the USD) and gold bullion detracted while long exposure to equities and the Indian Rupee (vs. the USD) added value. Other top performing positions included short exposure to the British Pound (vs. the USD), short exposure to the Israeli Shekel (vs. the USD) and short positions in Kansas City wheat futures.

We remain constructive on equities and have added incremental exposure to the portfolio. We expect a recovery in corporate earnings to pre-pandemic levels in 2021, which should support equity markets. Valuations are also supported by historically low real discount rates (even after accounting for the recent rally in yields). To manage against a potential left tail equity market event, we have paired our recent increase in equity exposure with put option protection.

Top 5 long and short exposures by asset class.
Weights are in notional terms as % of total Fund.
March 31, 2021

COMMODITIES	
GOLD	1.9%
CRUDE OIL FUTURE	0.4%
WHEAT (CHICAGO)	0.4%
NICKEL	0.2%
LEAD	0.2%
LOW SULFUR GASOIL	-0.1%
ALUMINUM	-0.1%
SOYBEAN OIL	-0.3%
COPPER	-0.3%
WHEAT (KANSAS)	-0.3%

CURRENCY	
US DOLLAR	12.8%
INDIAN RUPEE	6.6%
AUSTRALIAN DOLLAR	6.0%
SWEDISH KRONA	5.9%
BRAZILIAN REAL	3.1%
MEXICAN PESO	-2.2%
KOREAN WON	-2.3%
NEW ZEALAND DOLLAR	-2.4%
BRITISH POUND	-4.6%
ISRAELI SHEKEL	-6.4%

FIXED INCOME MARKETS	
INVESCO SENIOR LOAN ETF	37.3%
ISHARES IBOX HIGH YIELD CORP BOND ETF	27.3%
US 5YR NOTE	26.6%
AUSTRALIAN 10YR BOND	22.1%
US 10YR NOTE	11.7%
N/A	
SPDR BLOOMBERG BARCLAYS CONV ETF	-0.5%
FRENCH 10YR BOND	-1.0%
JAPANESE 10YR BOND (MINI)	-2.9%
ITALIAN 10YR BOND	-3.1%

EQUITY MARKETS	
S&P 500	9.7%
EURO STOCK FUTURE	2.4%
NIKKEI INDEX	1.5%
MSCI EMERGING MARKETS INDEX	1.2%
S&P TSX	0.9%
SWISS MARKET FUTURE	-0.1%
SOUTH AFRICA STOCK INDEX	-0.2%
MEXICAN STOCK FUTURE	-0.4%
AUSTRALIAN EQUITY FUTURE	-0.5%
S&P 500 PUT OPTION	-3.2%

EQUITY SINGLE NAMES	
PDC ENERGY INC.	4.3%
MARATHON PETROLEUM CORP.	2.7%
TOURMALINE OIL CORP.	1.8%
ARC RESOURCES LTD.	1.8%
DEVON ENERGY CORP.	1.5%
EXXON MOBIL CORP.	-1.1%
OCCIDENTAL PETROLEUM CORP.	-1.1%
BAYTEX ENERGY CORP.	-1.2%
ENBRIDGE INC.	-1.2%
INTER PIPELINE LTD.	-1.3%

GLOBAL MACRO CONTINUED

We are long government fixed income but traded much of our US Treasuries for UK Gilts. We remain long sovereign bonds for several reasons: To diversify our net long equity position, to create a more resilient portfolio to potential downside scenarios and to capture a more attractive roll-down yield as the curve has steepened significantly in recent weeks. In the medium term, as the economy recovers, factors associated with secular stagnation will continue putting downward pressure on real yields, including demographic aging, low productivity growth, a glut of savings and income inequality. While we remain long government duration overall, we did shift exposure from US Treasuries to UK Gilts, reflecting our estimates of lower inflationary pressures in the UK.

The portfolio remains long energy and gold. Both assets enhance expected inflation sensitivity and provide additional sources of return that are expected to outperform in future possible economic environments, such as higher-than-expected inflation. We have moved to a long energy and metals vs. short agricultural commodities position. The move was driven by valuation and sentiment changes. Supportive Fed policy and increasingly positive views on infrastructure activity and global consumption increased forecasted demand for the former more than the latter.

EQUITY MARKET NEUTRAL

Our collection of market neutral equity strategies was roughly flat on the month as gains from our quantitative alpha strategies were offset by negative returns from our fundamental style long/short resources focused strategy. Quantitative alpha was aided by strong results from the value and quality factors in March. Top contributing short positions included Lordstown Motors Corp. Coupa Software Inc. and Palomar Holdings Inc. Top contributing long positions included Affimed N.V., Perion Network Ltd, and Clovis Oncology Inc. In our resources focused strategy, gains from long positions in refining, natural gas, and midstream/pipeline companies were more than offset by losses from short positions in oil producers. The resources team remains bullish Canadian natural gas producers, midstream/pipelines, and refiners. Offsetting these long positions, the team continues to be net short oil producers. Since the middle of March, the portfolio has shifted to have a more positive exposure to the energy cycle while maintaining the same directional subsector positions.

ABSOLUTE RETURN FIXED INCOME

As the name implies, our quantitative credit momentum strategy invests based on the relative price movement of five major fixed income asset classes: government, investment grade, high yield, floating rate, and emerging markets (EM) debt. It is a strategy that can help manage risk for the Fund in extended bear markets and seek returns when markets are trending positively. In March and for most of Q2 2020, the strategy resided almost entirely in government bonds, but in June of last year the strategy added back exposure to EM credit, floating rate loans, high yield, and investment grade bonds as positive momentum returned to these asset classes. In February 2021 the strategy started cutting exposure to investment grade corporates and in March EM exposure was cut. These changes came on the back of weak recent performance which has sapped the momentum of these fixed income asset classes.

PORTFOLIO MANAGEMENT TEAMS



Nelson Arruda, M.Fin., M.Sc, CFA

Senior Vice President,
Portfolio Manager, Team Co-Lead
Mackenzie Multi-Asset
Strategies Team
Investment experience since 2009



Todd Mattina, Ph.D.

Senior Vice President,
Portfolio Manager, Team Co-Lead
Mackenzie Multi-Asset
Strategies Team
Investment experience since 2001



Michael Kapler, MMF, CFA
Portfolio Manager

Mackenzie Multi-Asset
Strategies Team
Investment experience since 1998



Steve Locke, MBA, CFA

Senior Vice President,
Portfolio Manager, Head of Team
Mackenzie Fixed Income Team
Investment experience since 1995



Benoit Gervais, M.Sc, CFA

Senior Vice President,
Portfolio Manager, Head of Team
Mackenzie Resource Team
Investment experience since 2001

GLOSSARY OF TERMS

Risk Premium: The amount by which the return of a risky asset is expected to outperform the return of a short term (typically 3-month) risk-free government bond.

Factor Exposures: Asset attributes and sensitivities that can be systematically identified and expected to cause return variations within and among asset classes. Economic factors include economic growth and inflation. Style factors include valuations, asset quality, asset price volatility and momentum.

Alpha: The return achieved by an investment strategy linked to its ability to successfully forecast return differentials in-between assets for idiosyncratic (individual asset specific) reasons (not linked to asset class risk premia or systematically identifiable factor exposures).

Market Beta: The risk and return associated with a broad global equity portfolio, diversified of any stock specific risk factors.

Standard Deviation: A measure of the variability of returns that have occurred relative to the average return. The higher the standard deviation, the greater is the range of returns that has been experienced. Standard deviation is commonly used as a measure of risk.

Contribution to Risk: The percentage contribution to expected portfolio risk, after accounting for individual asset standard risk and correlations.

Value at Risk: The maximum loss anticipated over a one-month period with 99% confidence.

Standard Performance Data Net of Fees (Series F)		
	1yr	SI (05/23/18)
Mackenzie Multi-Strategy Absolute Return	-7.8%	-3.6%
FTSE TMX Canada 91-Day T-Bill Index	0.2%	1.2%

Source: Morningstar

Disclaimer:

Commissions, trailing commissions, management fees, and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns as of **March 31, 2021** including changes in unit value and reinvestment of all dividends and distributions and do not take into account sales, redemption, distribution, or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated. Index performance does not include the impact of fees, commissions, and expenses that would be payable by investors in the investment products that seek to track an index.

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There can be no assurance that the Fund's return or volatility targets will be met or met over any particular time horizon. Targeted returns and volatility should be evaluated over the time period indicated and not over shorter periods. Targeted returns are not actual performance and should not be relied upon as an indication of actual or future performance.