

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

MANAGEMENT REPORT

Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by Mackenzie Financial Corporation, as Manager of Mackenzie Diversified Alternatives 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 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 McInerney
President and Chief Executive Officer



Terry Rountes
Chief Financial Officer, Funds

June 3, 2022

INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Mackenzie Diversified Alternatives Fund (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at March 31, 2022 and 2021, 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, 2022 and 2021, 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. The other information comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do 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
Investments

MACKENZIE DIVERSIFIED ALTERNATIVES 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
June 15, 2022

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

STATEMENTS OF FINANCIAL POSITION

at March 31 (in \$ 000 except per security amounts)

	2022 \$	2021 \$
ASSETS		
Current assets		
Investments at fair value	365,673	387,791
Cash and cash equivalents	21,498	37,944
Accrued interest receivable	403	451
Dividends receivable	423	362
Accounts receivable for investments sold	697	10
Accounts receivable for securities issued	545	415
Due from manager	15	32
Margin on derivatives	23	24
Derivative assets	1,817	495
Total assets	391,094	427,524
LIABILITIES		
Current liabilities		
Investments sold short at fair value	4,705	6,219
Accounts payable for investments purchased	337	566
Accounts payable for securities redeemed	888	1,081
Due to manager	12	14
Derivative liabilities	48	62
Total liabilities	5,990	7,942
Net assets attributable to securityholders	385,104	419,582

Net assets attributable to securityholders (note 3)

	per security		per series	
	2022	2021	2022	2021
Series A	11.19	10.52	49,187	61,375
Series AR	11.35	10.68	1,077	1,065
Series D	11.27	10.58	125	197
Series F	11.36	10.66	161,634	172,777
Series F5	14.19	13.64	3,025	4,116
Series F8	13.56	13.44	70	38
Series FB	11.11	10.43	112	87
Series FB5	13.96	13.45	1	1
Series O	10.79	10.61	27,302	25,650
Series PW	11.36	10.68	44,993	53,191
Series PWFB	10.52	9.87	654	744
Series PWFB5	13.74	13.33	1	1
Series PWR	10.45	9.83	647	353
Series PWT5	13.41	13.04	515	635
Series PWT8	13.04	13.07	39	79
Series PWX	10.85	10.66	205	263
Series PWX5	14.29	14.28	1	1
Series PWX8	13.30	13.71	75	99
Series S	10.12	9.93	2,635	2,510
Series T5	13.21	12.87	2,443	2,644
Series T8	12.93	13.00	97	143
Series UM	10.43	9.85	90,266	93,613
			385,104	419,582

STATEMENTS OF COMPREHENSIVE INCOME

for the periods ended March 31 (in \$ 000 except per security amounts)

	2022 \$	2021 \$
Income (note 10(i))		
Dividends	14,555	11,814
Interest income	2,581	4,976
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	14,955	11,222
Net unrealized gain (loss)	9,604	70,184
Fee rebate income	252	358
Total income (loss)	41,947	98,554
Expenses (note 6)		
Management fees	4,175	5,520
Management fee rebates	(4)	(5)
Administration fees	686	867
Interest charges	–	13
Borrowing fees	51	79
Commissions and other portfolio transaction costs	276	553
Independent Review Committee fees	1	2
Other	1	1
Expenses before amounts absorbed by Manager	5,186	7,030
Expenses absorbed by Manager	–	–
Net expenses	5,186	7,030
Increase (decrease) in net assets attributable to securityholders from operations before tax	36,761	91,524
Foreign withholding tax expense (recovery)	735	991
Foreign income taxes paid (recovered)	–	–
Increase (decrease) in net assets attributable to securityholders from operations	36,026	90,533

Increase (decrease) in net assets attributable to securityholders from operations (note 3)

	per security		per series	
	2022	2021	2022	2021
Series A	0.84	1.61	4,215	12,663
Series AR	0.81	1.49	79	154
Series D	0.99	1.79	15	46
Series F	0.99	1.83	14,625	47,259
Series F5	1.66	2.43	217	1,164
Series F8	1.30	2.90	5	270
Series FB	0.92	1.63	9	15
Series FB5	1.20	2.03	–	–
Series O	1.07	1.81	2,596	8,377
Series PW	0.86	1.62	3,840	9,599
Series PWFB	0.92	1.53	64	117
Series PWFB5	1.25	2.07	–	–
Series PWR	0.81	1.24	38	36
Series PWT5	1.10	2.02	46	102
Series PWT8	1.24	2.26	5	23
Series PWX	1.07	2.04	23	160
Series PWX5	1.42	4.43	–	2
Series PWX8	1.42	2.33	8	18
Series S	1.00	1.61	256	429
Series T5	1.04	1.96	204	450
Series T8	1.11	2.22	9	83
Series UM	0.89	1.34	9,772	9,566
			36,026	90,533

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

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

STATEMENTS OF CHANGES IN FINANCIAL POSITION

for the periods ended March 31 (in \$ 000 except per security amounts)

	Total		Series A		Series AR		Series D		Series F	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	419,582	598,428	61,375	88,741	1,065	982	197	318	172,777	330,132
Increase (decrease) in net assets from operations	36,026	90,533	4,215	12,663	79	154	15	46	14,625	47,259
Distributions paid to securityholders:										
Investment income	(12,184)	(6,605)	(769)	(498)	(15)	(6)	(3)	(3)	(4,120)	(3,807)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	(171)	(547)	–	–	–	–	–	–	–	–
Management fee rebates	(4)	(5)	–	–	–	–	–	–	(4)	(5)
Total distributions paid to securityholders	(12,359)	(7,157)	(769)	(498)	(15)	(6)	(3)	(3)	(4,124)	(3,812)
Security transactions:										
Proceeds from securities issued	89,490	102,944	6,578	12,747	370	219	27	24	30,887	26,867
Reinvested distributions	7,536	4,546	722	467	15	6	3	3	3,265	2,570
Payments on redemption of securities	(155,171)	(369,712)	(22,934)	(52,745)	(437)	(290)	(114)	(191)	(55,796)	(230,239)
Total security transactions	(58,145)	(262,222)	(15,634)	(39,531)	(52)	(65)	(84)	(164)	(21,644)	(200,802)
Increase (decrease) in net assets attributable to securityholders	(34,478)	(178,846)	(12,188)	(27,366)	12	83	(72)	(121)	(11,143)	(157,355)
End of period	385,104	419,582	49,187	61,375	1,077	1,065	125	197	161,634	172,777
Increase (decrease) in fund securities (in thousands) (note 7):			Securities	Securities	Securities	Securities	Securities	Securities	Securities	Securities
Securities outstanding – beginning of period			5,833	9,724	100	106	19	35	16,202	35,935
Issued			604	1,254	33	21	2	3	2,788	2,629
Reinvested distributions			66	48	1	1	–	–	296	259
Redeemed			(2,106)	(5,193)	(39)	(28)	(10)	(19)	(5,064)	(22,621)
Securities outstanding – end of period			4,397	5,833	95	100	11	19	14,222	16,202

	Series F5		Series F8		Series FB		Series FB5		Series O	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	4,116	9,533	38	2,003	87	100	1	1	25,650	44,568
Increase (decrease) in net assets from operations	217	1,164	5	270	9	15	–	–	2,596	8,377
Distributions paid to securityholders:										
Investment income	(50)	(100)	(1)	(26)	(2)	(1)	–	–	(2,147)	(845)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	(45)	(240)	(3)	(82)	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(95)	(340)	(4)	(108)	(2)	(1)	–	–	(2,147)	(845)
Security transactions:										
Proceeds from securities issued	2,120	1,137	35	422	48	80	–	–	2,140	2,324
Reinvested distributions	45	49	1	1	2	1	–	–	247	845
Payments on redemption of securities	(3,378)	(7,427)	(5)	(2,550)	(32)	(108)	–	–	(1,184)	(29,619)
Total security transactions	(1,213)	(6,241)	31	(2,127)	18	(27)	–	–	1,203	(26,450)
Increase (decrease) in net assets attributable to securityholders	(1,091)	(5,417)	32	(1,965)	25	(13)	–	–	1,652	(18,918)
End of period	3,025	4,116	70	38	112	87	1	1	27,302	25,650
Increase (decrease) in fund securities (in thousands) (note 7):			Securities	Securities	Securities	Securities	Securities	Securities	Securities	Securities
Securities outstanding – beginning of period	302	778	3	161	8	11	–	–	2,418	4,898
Issued	151	86	2	32	5	8	–	–	21	234
Reinvested distributions	3	4	–	–	–	–	–	–	200	86
Redeemed	(243)	(566)	–	(190)	(3)	(11)	–	–	(109)	(2,800)
Securities outstanding – end of period	213	302	5	3	10	8	–	–	2,530	2,418

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

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

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STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

for the periods ended March 31 (in \$ 000 except per security amounts)

	Series PW		Series PWFB		Series PWFB5		Series PWR		Series PWT5	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	53,191	65,876	744	728	1	1	353	203	635	677
Increase (decrease) in net assets from operations	3,840	9,599	64	117	–	–	38	36	46	102
Distributions paid to securityholders:										
Investment income	(789)	(441)	(18)	(9)	–	–	(8)	(2)	(9)	(5)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–	–	–	(18)	(30)
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(789)	(441)	(18)	(9)	–	–	(8)	(2)	(27)	(35)
Security transactions:										
Proceeds from securities issued	7,222	12,972	79	374	–	–	293	159	90	288
Reinvested distributions	770	426	16	9	–	–	8	2	6	5
Payments on redemption of securities	(19,241)	(35,241)	(231)	(475)	–	–	(37)	(45)	(235)	(402)
Total security transactions	(11,249)	(21,843)	(136)	(92)	–	–	264	116	(139)	(109)
Increase (decrease) in net assets attributable to securityholders	(8,198)	(12,685)	(90)	16	–	–	294	150	(120)	(42)
End of period	44,993	53,191	654	744	1	1	647	353	515	635
Increase (decrease) in fund securities (in thousands) (note 7):										
	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	4,978	7,118	75	86	–	–	36	24	49	57
Issued	652	1,262	7	39	–	–	29	17	7	23
Reinvested distributions	70	43	2	1	–	–	1	–	–	–
Redeemed	(1,741)	(3,445)	(22)	(51)	–	–	(4)	(5)	(18)	(31)
Securities outstanding – end of period	3,959	4,978	62	75	–	–	62	36	38	49

	Series PWT8		Series PWX		Series PWX5		Series PWX8		Series S	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	79	156	263	993	1	32	99	96	2,510	2,346
Increase (decrease) in net assets from operations	5	23	23	160	–	2	8	18	256	429
Distributions paid to securityholders:										
Investment income	(1)	(1)	(20)	(18)	–	–	(6)	(2)	(205)	(43)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	(3)	(10)	–	–	–	–	(4)	(7)	–	–
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(4)	(11)	(20)	(18)	–	–	(10)	(9)	(205)	(43)
Security transactions:										
Proceeds from securities issued	–	–	–	30	–	1	–	–	243	273
Reinvested distributions	2	2	20	18	–	–	7	4	205	43
Payments on redemption of securities	(43)	(91)	(81)	(920)	–	(34)	(29)	(10)	(374)	(538)
Total security transactions	(41)	(89)	(61)	(872)	–	(33)	(22)	(6)	74	(222)
Increase (decrease) in net assets attributable to securityholders	(40)	(77)	(58)	(730)	–	(31)	(24)	3	125	164
End of period	39	79	205	263	1	1	75	99	2,635	2,510
Increase (decrease) in fund securities (in thousands) (note 7):										
	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	6	13	25	109	–	3	7	8	253	275
Issued	–	–	–	3	–	–	–	–	24	30
Reinvested distributions	–	–	2	2	–	–	1	–	20	5
Redeemed	(3)	(7)	(8)	(89)	–	(3)	(2)	(1)	(37)	(57)
Securities outstanding – end of period	3	6	19	25	–	–	6	7	260	253

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

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

for the periods ended March 31 (in \$ 000 except per security amounts)

	Series T5		Series T8		Series UM	
	2022	2021	2022	2021	2022	2021
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS						
Beginning of period	2,644	3,114	143	541	93,613	47,287
Increase (decrease) in net assets from operations	204	450	9	83	9,772	9,566
Distributions paid to securityholders:						
Investment income	(36)	(17)	(2)	(4)	(3,983)	(777)
Capital gains	–	–	–	–	–	–
Return of capital	(91)	(139)	(7)	(39)	–	–
Management fee rebates	–	–	–	–	–	–
Total distributions paid to securityholders	(127)	(156)	(9)	(43)	(3,983)	(777)
Security transactions:						
Proceeds from securities issued	54	330	3	165	41,201	44,532
Reinvested distributions	39	54	8	9	255	32
Payments on redemption of securities	(371)	(1,148)	(57)	(612)	(50,592)	(7,027)
Total security transactions	(278)	(764)	(46)	(438)	(9,136)	37,537
Increase (decrease) in net assets attributable to securityholders	(201)	(470)	(46)	(398)	(3,347)	46,326
End of period	2,443	2,644	97	143	90,266	93,613
Increase (decrease) in fund securities (in thousands) (note 7):						
	Securities		Securities		Securities	
Securities outstanding – beginning of period	205	266	11	44	9,500	5,577
Issued	4	26	–	13	4,046	4,661
Reinvested distributions	3	4	1	1	25	3
Redeemed	(27)	(91)	(5)	(47)	(4,917)	(741)
Securities outstanding – end of period	185	205	7	11	8,654	9,500

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

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

STATEMENTS OF CASH FLOWS

for the periods ended March 31 (in \$ 000)

	2022	2021
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	36,026	90,533
Adjustments for:		
Net realized loss (gain) on investments	(15,205)	(22,233)
Change in net unrealized loss (gain) on investments	(9,604)	(70,184)
Distributions received in-kind from underlying funds	(471)	(88)
Purchase of investments	(231,370)	(559,311)
Proceeds from sale and maturity of investments	274,991	732,486
(Increase) decrease in accounts receivable and other assets	5	489
Increase (decrease) in accounts payable and other liabilities	(2)	(38)
Net cash provided by (used in) operating activities	54,370	171,654
Cash flows from financing activities		
Proceeds from securities issued	83,163	88,903
Payments on redemption of securities	(149,167)	(358,398)
Distributions paid net of reinvestments	(4,823)	(2,611)
Net cash provided by (used in) financing activities	(70,827)	(272,106)
Net increase (decrease) in cash and cash equivalents	(16,457)	(100,452)
Cash and cash equivalents at beginning of period	37,944	136,907
Effect of exchange rate fluctuations on cash and cash equivalents	11	1,489
Cash and cash equivalents at end of period	21,498	37,944
Cash	14,545	36,531
Cash equivalents	6,953	1,413
Cash and cash equivalents at end of period	21,498	37,944
Supplementary disclosures on cash flow from operating activities:		
Dividends received	14,500	11,909
Dividends paid	6	60
Foreign taxes paid	735	991
Interest received	2,629	5,271
Interest paid	–	13

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

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

SCHEDULE OF INVESTMENTS

as at March 31, 2022

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
LONG POSITIONS					
BONDS					
ADS Tactical Inc. Term Loan B 1st Lien F/R 03-04-2028	United States	Term Loans	USD 71,250	88	85
Agile Group Holdings Ltd. 5.75% 01-02-2025	China	Corporate - Non Convertible	USD 200,000	233	82
AIT Worldwide Logistics Holdings Inc. Term Loan 1st Lien F/R 04-01-2028	United States	Term Loans	USD 124,375	155	155
Albion Acquisitions Ltd. Term Loan 1st Lien F/R 07-31-2026	United Kingdom	Term Loans	USD 27,930	34	35
Albion Financing Ltd. 2 SARL 8.75% 04-15-2027 144A	Luxembourg	Corporate - Non Convertible	USD 200,000	248	241
Alchemy US Holdco LLC Term Loan B 1st Lien F/R 10-01-2025	United States	Term Loans	USD 57,487	73	72
Alpha Holding SA de CV 9.00% 02-10-2025 Callable 2023	Mexico	Corporate - Non Convertible	USD 250,000	330	19
Altice Financing SA 5.75% 08-15-2029 144A	Luxembourg	Corporate - Non Convertible	USD 200,000	251	228
ANI Technologies Private Ltd. Term Loan 1st Lien F/R 12-03-2026	India	Term Loans	USD 14,963	19	18
AP Core Holdings II LLC Term Loan B2 1st Lien F/R 07-21-2027	United States	Term Loans	USD 28,000	35	35
Arc Falcon I Inc. Term Loan 2nd Lien F/R 09-22-2029	United States	Term Loans	USD 21,000	27	26
Ascend Wellness Holdings Inc. Term Loan 1st Lien F/R 08-27-2025	United States	Term Loans	USD 16,000	20	20
Azurity Pharmaceuticals Inc. Term Loan B 1st Lien F/R 09-20-2027	United States	Term Loans	USD 21,725	27	27
BCPE Cycle Merger Sub II Inc. 10.63% 07-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 240,000	321	287
Braskem Idesa SAPI 6.99% 02-20-2032	Mexico	Corporate - Non Convertible	USD 200,000	247	247
BWAY Holding Co. 7.25% 04-15-2025 144A	United States	Corporate - Non Convertible	USD 188,000	241	233
California Resources Corp. 7.13% 02-01-2026 144A	United States	Corporate - Non Convertible	USD 400,000	508	522
Canpack SA / Canpack US LLC 3.88% 11-15-2029 144A	Poland	Corporate - Non Convertible	USD 200,000	214	220
Carnival Corp. 9.88% 08-01-2027 144A	United States	Corporate - Non Convertible	USD 65,000	95	90
Carnival Corp. 6.00% 05-01-2029 144A	United States	Corporate - Non Convertible	USD 10,000	12	12
Carriage Purchaser Inc. Term Loan B 1st Lien F/R 09-23-2028	United States	Term Loans	USD 13,930	18	17
Carriage Purchaser Inc. 7.88% 10-15-2029 144A	United States	Corporate - Non Convertible	USD 115,000	145	133
CCS-CMGC Holdings Inc. Term Loan 1st Lien F/R 09-25-2025	United States	Term Loans	USD 58,050	74	71
CommScope Inc. 4.75% 09-01-2029 144A	United States	Corporate - Non Convertible	USD 140,000	175	162
CommScope Technologies Finance LLC 8.25% 03-01-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 210,000	278	256
Condor Merger Sub Inc. 7.38% 02-15-2030 144A	United States	Corporate - Non Convertible	USD 75,000	95	90
CONSOL Energy Inc. Term Loan B 1st Lien F/R 09-28-2024	United States	Term Loans	USD 3,625	4	4
CONSOL Energy Inc. 11.00% 11-15-2025 144A	United States	Corporate - Non Convertible	USD 100,000	128	131
Cook & Boardman Group LLC Term Loan 1st Lien F/R 10-12-2025	United States	Term Loans	USD 87,061	112	106
Covert Mergeco Inc. 4.88% 12-01-2029 144A	United States	Corporate - Non Convertible	USD 9,000	11	11
Covis Finco Sarl Term Loan B 1st Lien F/R 02-14-2027	Luxembourg	Term Loans	USD 19,000	22	22
Crew Energy Inc. 6.50% 03-14-2024 Callable	Canada	Corporate - Non Convertible	90,000	90	90
Crown Subsea Communications Holding Inc. Term Loan 1st Lien F/R 04-20-2027	United States	Term Loans	USD 80,137	100	100
CrownRock LP / CrownRock Finance Inc. 5.63% 10-15-2025 Callable 144A	United States	Corporate - Non Convertible	USD 165,000	219	210
CTC Holdings LP Term Loan B 1st Lien F/R 02-15-2029	United States	Term Loans	USD 41,000	51	50
Curaleaf Holdings Inc. 8.00% 12-15-2026	United States	Corporate - Non Convertible	USD 80,000	103	99
DCert Buyer Inc. Term Loan 2nd Lien F/R 02-16-2029	United States	Term Loans	USD 75,000	95	93
DEI Sales Inc. Term Loan B 1st Lien F/R 04-23-2028	United States	Term Loans	USD 79,000	97	98
Diamond Sports Group LLC 5.38% 08-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 710,000	724	342
Diamond Sports Group LLC 6.63% 08-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 575,000	402	152
Digi International Inc. Term Loan B 1st Lien F/R 11-01-2028	United States	Term Loans	USD 17,143	21	21
Domtar Corp. Delayed Draw Term Loan B 1st Lien F/R 10-01-2028	United States	Term Loans	USD 22,258	28	28
Domtar Corp. Term Loan B 1st Lien F/R 10-01-2028	United States	Term Loans	USD 46,742	58	58
Domtar Corp. 6.75% 10-01-2028 144A	United States	Corporate - Non Convertible	USD 66,000	83	83
DS Parent Inc. Term Loan B 1st Lien F/R 12-10-2028	United States	Term Loans	USD 8,775	11	11
East West Manufacturing LLC Delayed Draw Term Loan 1st Lien F/R 01-05-2029	United States	Term Loans	USD 1,905	2	2
East West Manufacturing LLC Term Loan B 1st Lien F/R 01-05-2029	United States	Term Loans	USD 13,095	16	16
EG Finco Ltd. Term Loan 2nd Lien F/R 04-11-2027	United Kingdom	Term Loans	EUR 75,000	111	103
Electrical Components International Inc. Term Loan 2nd Lien F/R 06-22-2026	United States	Term Loans	USD 20,000	25	22
Empire Communities Corp. 7.38% 12-15-2025	Canada	Corporate - Non Convertible	90,000	90	90
Empire Today LLC Term Loan 1st Lien F/R 03-24-2028	United States	Term Loans	USD 70,223	88	84
Employbridge LLC Term Loan B 1st Lien F/R 07-16-2028	United States	Term Loans	USD 23,880	30	30
Ensign Drilling Inc. 9.25% 04-15-2024 144A	Canada	Corporate - Non Convertible	USD 144,000	168	178
Evergreen Acqco 1LP Term Loan 1st Lien F/R 03-26-2028	United States	Term Loans	USD 9,975	13	12

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BONDS (cont'd)					
Fertitta Entertainment Inc. 6.75% 01-15-2030 144A	United States	Corporate - Non Convertible	USD 150,000	180	173
Flynn America LP Term Loan B 1st Lien F/R 07-23-2028	United States	Term Loans	USD 23,000	28	27
Foundation Building Materials 6.00% 03-01-2029	United States	Corporate - Non Convertible	USD 100,000	128	113
Foxtrot Escrow Issuer LLC 12.25% 11-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 80,000	103	108
FXI Holdings Inc. 7.88% 11-01-2024 Callable 2022 144A	United States	Corporate - Non Convertible	USD 234,000	295	291
Gannett Holdings LLC Term Loan B 1st Lien F/R 02-08-2026	United States	Term Loans	USD 2,239	3	3
Garda World Security Corp 6.00% 06-01-2029 144A	Canada	Corporate - Non Convertible	USD 20,000	23	23
Gateway Merger Sub Inc. Term Loan 1st Lien F/R 06-25-2028	United States	Term Loans	USD 23,880	29	30
Go Daddy Operating Co. LLC 3.50% 03-01-2029 144A	United States	Corporate - Non Convertible	USD 10,000	12	12
Gol Linhas Aereas Inteligentes SA 8.00% 06-30-2026	Brazil	Corporate - Non Convertible	USD 200,000	243	224
Government of Bahamas 8.95% 10-15-2032	Bahamas	Foreign Governments	USD 200,000	259	202
Government of Russia 7.65% 04-10-2030	Russia	Foreign Governments	RUB 21,310,000	369	7
Government of Russia 5.90% 03-12-2031	Russia	Foreign Governments	RUB 9,387,000	143	3
Gray Television Inc. 5.38% 11-15-2031 144A	United States	Corporate - Non Convertible	USD 81,000	100	97
Greystone Select Financial Term Loan 1st Lien F/R 05-10-2028	United States	Term Loans	USD 14,263	17	18
Gulfport Energy Corp. 8.00% 05-17-2026 144A	United States	Corporate - Non Convertible	USD 125,000	164	163
Hadrian Merger Sub Inc. 8.50% 05-01-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 181,000	231	228
Heritage Power LLC Term Loan B 1st Lien F/R 07-08-2026	United States	Term Loans	USD 112,131	142	84
The Hertz Corp. 4.63% 12-01-2026 144A	United States	Corporate - Non Convertible	USD 80,000	102	94
IDB Development Corp. 4.95% 12-18-2025 Inflation Indexed	Israel	Corporate - Non Convertible	ILS 2,969	1	1
Inter Pipeline Ltd. F/R 03-26-2079 Callable 2029	Canada	Corporate - Non Convertible	585,000	589	593
Inter Pipeline Ltd. F/R 11-19-2079 Callable 2029	Canada	Corporate - Non Convertible	120,000	120	120
Invesque Inc. 5.00% 01-31-2025 Conv.	Canada	Corporate - Convertible	USD 887,000	1,092	887
ION Trading Finance Ltd. Term Loan B 1st Lien F/R 03-26-2028	Ireland	Term Loans	EUR 19,850	29	27
Iris Holdings Inc. 8.75% 02-15-2026	United States	Corporate - Non Convertible	USD 100,000	128	125
Iris Merger Sub 2019 Inc. 9.38% 02-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 50,000	66	67
Jadex Inc. Term Loan 1st Lien F/R 02-12-2028	United States	Term Loans	USD 107,415	140	130
Kaisa Group Holdings Ltd. 11.70% 11-11-2025	China	Corporate - Non Convertible	USD 200,000	243	48
Keyera Corp. F/R 06-13-2079 Callable 2029	Canada	Corporate - Non Convertible	630,000	631	651
Keyera Corp. F/R 03-10-2081	Canada	Corporate - Non Convertible	150,000	150	145
Kleopatra Holdings 2 SCA 6.50% 09-01-2026	Luxembourg	Corporate - Non Convertible	EUR 100,000	154	105
Knight Health Holdings LLC Term Loan B 1st Lien F/R 12-17-2028	United States	Term Loans	USD 23,000	27	26
LABL Escrow Issuer LLC 10.50% 07-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 69,000	92	87
LABL Inc. 8.25% 11-01-2029 144A	United States	Corporate - Non Convertible	USD 30,000	36	33
LHS Borrower LLC Term Loan B 1st Lien F/R 02-02-2029	United States	Term Loans	USD 22,000	28	27
LifeMiles Ltd. Term Loan B 1st Lien F/R 08-16-2026	Colombia	Term Loans	USD 46,627	58	58
LifeScan Global Corp. Term Loan 2nd Lien F/R 06-19-2025	United States	Term Loans	USD 100,000	114	119
Logan Group Co. Ltd. 4.70% 07-06-2026	China	Corporate - Non Convertible	USD 200,000	234	52
LogMeln Inc. Term Loan B 1st Lien F/R 08-14-2027	United States	Term Loans	USD 19,750	26	24
Magenta Buyer LLC Term Loan 1st Lien F/R 05-03-2028	United States	Term Loans	USD 44,778	55	56
Magenta Buyer LLC Term Loan 2nd Lien F/R 05-03-2029	United States	Term Loans	USD 8,000	10	10
Manchester Acquisition Sub LLC Term Loan B 1st Lien F/R 11-16-2026	United States	Term Loans	USD 18,953	22	23
Mav Acquisition Corp. Term Loan B 1st Lien F/R 07-21-2028	United States	Term Loans	USD 8,955	11	11
Mav Acquisition Corp. 5.75% 08-01-2028 144A	United States	Corporate - Non Convertible	USD 100,000	126	119
McLaren Finance PLC 7.50% 08-01-2026 144A	United Kingdom	Corporate - Non Convertible	USD 100,000	126	123
MEG Energy Corp. 7.13% 02-01-2027 Callable 2023 144A	Canada	Corporate - Non Convertible	USD 190,000	249	249
MEG Energy Corp. 5.88% 02-01-2029 144A	Canada	Corporate - Non Convertible	USD 200,000	255	254
MicroStrategy Inc. 6.13% 06-15-2028 144A	United States	Corporate - Non Convertible	USD 140,000	177	171
Minerva Merger Sub Inc. 6.50% 02-15-2030 144A	United States	Corporate - Non Convertible	USD 240,000	306	292
Motel 6 Operating LP Term Loan B 1st Lien F/R 08-19-2026	United States	Term Loans	USD 12,935	16	16
Nabors Industries Inc. 7.38% 05-15-2027 144A	United States	Corporate - Non Convertible	USD 200,000	252	261
Nabors Industries Ltd. 7.25% 01-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 75,000	84	94
Natural Resource Partners LP 9.13% 06-30-2025 144A	United States	Corporate - Non Convertible	USD 38,000	48	49
New Look Vision Group Delayed Draw Term Loan F/R 05-15-2028	United States	Term Loans	USD 21,027	27	26
New Look Vision Group Inc. Term Loan 1st Lien Delayed Draw F/R 05-15-2028	Canada	Term Loans	28,430	28	28
New Look Vision Group Inc. Term Loan 1st Lien F/R 05-15-2028	Canada	Term Loans	71,186	71	71
New Look Vision Group Term Loan 1st Lien F/R 05-26-2028	United States	Term Loans	USD 44,973	57	56
New Trojan Parent Inc. Term Loan 1st Lien F/R 01-22-2029	United States	Term Loans	USD 100,000	126	120
Nine Energy Service Inc. 8.75% 11-01-2023 Callable 2022 144A	United States	Corporate - Non Convertible	USD 430,000	397	306
Northstar Group Services Inc. Term Loan 1st Lien F/R 11-12-2026	United States	Term Loans	USD 15,807	20	20
NuVista Energy Ltd. 7.88% 07-23-2026	Canada	Corporate - Non Convertible	350,000	346	371
Owens & Minor Inc. 6.63% 04-01-2030	United States	Corporate - Non Convertible	USD 200,000	251	257

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BONDS (cont'd)					
Patrimonio Autonomo Union Del Sur 6.66% 02-28-2041					
Inflation Indexed	Colombia	Corporate - Non Convertible	COP 1,717,701	160	166
Petroleos De Venezuela SA 6.00% 05-16-2024	Venezuela	Corporate - Non Convertible	USD 170,000	55	15
Petroleos Mexicanos 6.70% 02-16-2032	Mexico	Corporate - Non Convertible	USD 81,000	104	96
PharmaCann LLC 12.00% 06-30-2025	United States	Corporate - Non Convertible	USD 111,000	133	149
Plaze Inc. Term Loan 1st Lien F/R 08-03-2026	United States	Term Loans	USD 19,701	25	24
Project Sky Merger Sub Inc. Term Loan 2nd Lien F/R 08-10-2029	United States	Term Loans	USD 14,000	17	17
Quasar Intermediate Holdings Ltd. Term Loan B 1st Lien F/R 01-20-2029	United States	Term Loans	USD 26,000	32	32
R&F Properties HK Co. Ltd. 11.75% 08-02-2023	China	Corporate - Non Convertible	USD 200,000	170	54
Radiology Partners Inc. 9.25% 02-01-2028	United States	Corporate - Non Convertible	USD 250,000	329	315
Rather Outdoors Corp. Term Loan 1st Lien F/R 01-26-2028	United States	Term Loans	USD 9,900	12	12
Real Hero Merger Sub 2 Inc. 6.25% 02-01-2029 144A	United States	Corporate - Non Convertible	USD 30,000	38	34
Rite Aid Corp. 7.70% 02-15-2027	United States	Corporate - Non Convertible	USD 75,000	90	74
Rogers Communications Inc. F/R 03-15-2082 144A	Canada	Corporate - Non Convertible	USD 190,000	241	232
Secure Acquisition Inc. Delayed Draw Term Loan 1st Lien F/R 12-15-2028	United States	Term Loans	USD 1,940	2	2
Secure Acquisition Inc. Term Loan 1st Lien F/R 12-15-2028	United States	Term Loans	USD 13,060	17	16
Secure Acquisition Inc. Term Loan 2nd Lien F/R 12-15-2029	United States	Term Loans	USD 7,000	9	9
Secure Energy Services Inc. 7.25% 12-30-2026	Canada	Corporate - Non Convertible	220,000	221	222
Sinclair Television Group Inc. 5.13% 02-15-2027					
Callable 2022 144A	United States	Corporate - Non Convertible	USD 40,000	50	46
Source energy Services 10.50% 03-15-2025	Canada	Corporate - Non Convertible	561,394	586	336
Spanish Broadcasting System Inc. 9.75% 03-01-2026	United States	Corporate - Non Convertible	USD 50,000	64	63
Specialty Pharma III Inc. Term Loan B 1st Lien F/R 02-24-2028	United States	Term Loans	USD 74,625	92	93
Stitch Acquisition Corp. Term Loan B 1st Lien F/R 07-27-2028	United States	Term Loans	USD 5,935	7	7
Sunset Debt Merger Sub Inc. Term Loan B 1st Lien F/R 09-17-2028	United States	Term Loans	USD 25,000	32	30
Tacora Resources Inc. 8.25% 05-15-2026 144A	Canada	Corporate - Non Convertible	USD 63,000	77	77
Talen Energy Supply LLC 10.50% 01-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 180,000	157	152
Talen Energy Supply LLC 7.25% 05-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 90,000	115	105
Talen Energy Supply LLC 6.63% 01-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 210,000	248	243
Tamarack Valley Energy Ltd. 7.25% 05-10-2027	Canada	Corporate - Non Convertible	675,000	675	692
Telesat Canada 6.50% 10-15-2027	Canada	Corporate - Non Convertible	USD 520,000	592	316
Terrier Media Buyer Inc. 8.88% 12-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 150,000	198	192
Tervita Corp. 11.00% 12-01-2025 144A	Canada	Corporate - Non Convertible	USD 90,000	116	128
Tianqi Finco Co. Ltd. 3.75% 11-28-2022	China	Corporate - Non Convertible	USD 200,000	230	238
Timber Servicios Empresariales SA Term Loan B 1st Lien F/R 02-17-2029	Spain	Term Loans	EUR 11,000	16	15
Titan Sub LLC Term Loan B 1st Lien F/R 09-19-2026	United States	Term Loans	USD 51,600	68	64
The Toronto-Dominion Bank F/R 10-31-2170	Canada	Corporate - Non Convertible	200,000	200	202
Torrid LLC Term Loan B 1st Lien F/R 05-21-2028	United States	Term Loans	USD 74,063	88	90
TRC Cos. Inc. Term Loan 2nd Lien F/R 11-19-2029	United States	Term Loans	USD 10,000	13	12
Trilogy International Partners LLC 8.88% 05-15-2023	United States	Corporate - Non Convertible	USD 91,800	121	114
Trulieve Cannabis Corp. 9.75% 06-18-2024	United States	Corporate - Non Convertible	USD 185,000	242	240
Trulieve Cannabis Corp. 8.00% 10-06-2026	United States	Corporate - Non Convertible	USD 333,000	419	411
Urban One Inc. 7.38% 02-01-2028 144A	United States	Corporate - Non Convertible	USD 200,000	257	252
US Radiology Specialists Inc. Term Loan B 1st Lien F/R 12-15-2027	United States	Term Loans	USD 25,850	33	32
US Silica Holdings Inc. Term Loan B 1ST Lien F/R 05-01-2025	United States	Term Loans	USD 422,103	535	520
Vector WP Holdco Inc. Term Loan B 1st Lien F/R 10-08-2028	United States	Term Loans	USD 18,953	23	23
Veregy Term Loan 1st Lien F/R 11-03-2027	United States	Term Loans	USD 19,750	25	24
Vesta Energy Corp. 10% 10-15-2025 144A	Canada	Corporate - Non Convertible	420,000	420	418
Viad Corp. Term Loan B 1st Lien F/R 07-27-2028	United States	Term Loans	USD 14,925	18	18
VistaJet Malta Finance PLC 6.38% 02-01-2030 144A	Switzerland	Corporate - Non Convertible	USD 210,000	263	248
W&T Offshore Inc. 9.75% 11-01-2023 Callable 2022 144A	United States	Corporate - Non Convertible	USD 123,000	144	153
WDB Holding PA Inc. Term Loan 1st Lien F/R 12-18-2024	United States	Term Loans	USD 175,000	219	236
Weatherford International Ltd. 8.63% 04-30-2030 144A	United States	Corporate - Non Convertible	USD 282,000	352	359
Weatherford International PLC 11.00% 12-01-2024 Callable 2022	United States	Corporate - Non Convertible	USD 27,000	36	35
WeWork Inc. 5.00% 07-10-2025 144A	United States	Corporate - Non Convertible	USD 48,000	52	52
Whole Earth Brands Inc. Term Loan 1st Lien F/R 02-02-2026	United States	Term Loans	USD 14,775	19	18
WildBrain Ltd. Term Loan B 1st Lien F/R 03-18-2028	Canada	Term Loans	USD 99,000	121	123
Wildbrain Ltd. 5.88% 09-30-2024 Conv.	Canada	Corporate - Convertible	190,000	152	187
Women's Care Holdings Inc. Term Loan B 1st Lien F/R 01-15-2028	United States	Term Loans	USD 19,850	25	25
Total bonds				25,209	21,795

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EQUITIES					
Abertis Infraestructuras SA	Spain	Industrials	2,993	68	26
Agnico-Eagle Mines Ltd.	Canada	Materials	5,546	390	424
Agnico-Eagle Mines Ltd. (US Shares)	Canada	Materials	23,156	1,775	1,772
Alamos Gold Inc.	Canada	Materials	16,670	171	175
Amicus Therapeutics Inc.	United States	Health Care	19,435	341	230
Amkor Technology Inc.	United States	Information Technology	34,279	466	931
Apollo Investment Corp.	United States	Financials	93,940	1,670	1,552
Arcos Dorados Holdings Inc.	Brazil	Consumer Discretionary	27,580	187	280
Ares Capital Corp.	United States	Financials	59,376	1,453	1,555
AS Merko Ehitus	Estonia	Industrials	3,000	70	65
AS Tallinna Vesi	Estonia	Utilities	600	13	12
B2Gold Corp.	Canada	Materials	39,246	290	225
Bain Capital Specialty Finance Inc.	United States	Financials	77,387	1,494	1,508
Barings BDC Inc.	United States	Financials	119,386	1,534	1,543
Barrick Gold Corp.	Canada	Materials	170,641	4,316	5,232
Barrick Gold Corp. (US Shares)	Canada	Materials	57,451	1,897	1,761
BCE Inc. 4.54% Cum. Red. First Pfd. Series R Callable	Canada	Communication Services	466	8	9
BCE Inc. Pfd. Series AA	Canada	Communication Services	382	6	8
BCE Inc. Pfd. Series AI	Canada	Communication Services	26	–	1
BlackRock Kelso Capital Corp.	United States	Financials	299,194	1,390	1,574
BlackRock TCP Capital Corp.	United States	Financials	88,593	1,615	1,584
Calfrac Well Services Ltd.	Canada	Energy	62,351	1,065	281
Catalyst Pharmaceuticals Inc.	United States	Health Care	25,150	175	261
Cenovus Energy Inc. 4.45% 12-31-2049 Pfd. Series 1	Canada	Energy	50,339	653	862
Cenovus Energy Inc. Pfd. Series 3	Canada	Energy	9,760	189	230
Cenovus Energy Inc. Pfd. Series 7	Canada	Energy	500	10	11
Centamin PLC	United Kingdom	Materials	151,665	333	227
Centennial Resource Development Inc.	United States	Energy	21,735	169	219
Centerra Gold Inc.	Canada	Materials	10,929	124	134
Cerus Corp.	United States	Health Care	33,959	238	233
Cogniyte Software Ltd.	United States	Information Technology	40,000	1,274	565
Coherus BioSciences Inc.	United States	Health Care	12,880	291	208
Compania de Minas Buenaventura SA ADR	Peru	Materials	7,639	109	96
Conduent Inc.	United States	Information Technology	33,114	267	214
Coop Pank AS	Estonia	Financials	20,000	67	73
Credicorp Ltd.	Peru	Financials	2,500	446	537
Crescent Capital BDC Inc.	United States	Financials	68,240	1,544	1,518
Dropbox Inc. Class A	United States	Information Technology	9,540	290	277
Dynatrace Inc.	United States	Information Technology	2,000	87	118
Eldorado Gold Corp. (US Shares)	Canada	Materials	8,287	118	116
Emera Inc. Pfd. Series L	Canada	Utilities	6,370	159	143
Endeavour Mining Corp.	Monaco	Materials	3,596	107	112
Extreme Networks Inc.	United States	Information Technology	18,010	252	275
Fairfax Financial Holdings Ltd. Pfd. Series E	Canada	Financials	1,580	23	28
Fairfax Financial Holdings Ltd. Pfd. Series F	Canada	Financials	1,200	18	21
Fannie Mae Pfd. Series S	United States	Financials	5,920	57	24
Fidus Investment Corp.	United States	Financials	62,012	1,251	1,564
First Eagle Alternative Capital BDC Inc.	United States	Financials	285,310	1,494	1,569
Ford Motor Co.	United States	Consumer Discretionary	16,710	247	353
Franco-Nevada Corp.	Canada	Materials	18,749	3,451	3,738
FS KKR Capital Corp.	United States	Financials	55,740	1,451	1,590
Gladstone Capital Corp.	United States	Financials	102,474	1,362	1,510
Gladstone Investment Corp.	United States	Financials	76,426	1,254	1,541
Goldman Sachs BDC Inc.	United States	Financials	61,824	1,536	1,515
Golub Capital BDC Inc.	United States	Financials	81,167	1,541	1,543
GoPro Inc. Class A	United States	Consumer Discretionary	25,320	255	270
Harmonic Inc.	United States	Information Technology	22,340	254	259
Hercules Capital Inc.	United States	Financials	68,507	1,441	1,547
Heron Therapeutics Inc.	United States	Health Care	26,330	454	188
Horizon Technology Finance Corp.	United States	Financials	88,402	1,681	1,536
IAMGOLD Corp. (US Shares)	Canada	Materials	21,736	101	95
IDT Corp.	United States	Communication Services	40,667	2,392	1,733
ImmunoGen Inc.	United States	Health Care	34,520	353	205
Intelsat Jackson Holdings SA	Luxembourg	Communication Services	2,898	124	121

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2022

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
EQUITIES (cont'd)					
Intelsat Jackson Holdings SA A Purchase Warrants Exp. 12-05-2025	Luxembourg	Communication Services	303	2	2
Intelsat Jackson Holdings SA B Purchase Warrants Exp. 12-05-2025	Luxembourg	Communication Services	303	1	1
iQor US Inc.	United States	Information Technology	625	10	10
Kinross Gold Corp.	Canada	Materials	48,713	474	358
Labrador Iron Ore Royalty Corp.	Canada	Materials	10,000	426	420
Loblaw Companies Ltd. 5.30% Cum. Red. 2nd Pfd. Series B	Canada	Consumer Staples	400	10	10
Main Street Capital Corp.	United States	Financials	10,144	512	541
Marriott International Inc. Class A	United States	Consumer Discretionary	5,000	677	1,098
Monroe Capital Corp.	United States	Financials	115,790	1,486	1,562
New Mountain Finance Corp.	United States	Financials	90,152	1,487	1,563
Newcrest Mining Ltd.	Australia	Materials	85,601	2,040	2,124
Newmont Goldcorp Corp. (USD Shares)	United States	Materials	80,555	5,967	8,000
Newtek Business Services Corp.	United States	Financials	45,781	1,671	1,528
Oaktree Specialty Lending Corp.	United States	Financials	166,399	1,362	1,533
OneMarket Ltd.	Australia	Information Technology	770	-	-
Owl Rock Capital Corp.	United States	Financials	82,473	1,472	1,524
Patterson-UTI Energy Inc.	United States	Energy	12,095	84	234
PennantPark Floating Rate Capital Ltd.	United States	Financials	92,126	1,448	1,556
PennantPark Investment Corp.	United States	Financials	158,669	1,229	1,543
Perion Network Ltd.	Israel	Communication Services	9,901	228	278
Playa Hotels & Resorts NV	United States	Consumer Discretionary	22,820	255	247
Polymetal International PLC	Russia	Materials	8,165	230	41
Portman Ridge Finance Corp.	United States	Financials	51,864	1,477	1,567
Prospect Capital Corp.	United States	Financials	148,873	1,475	1,541
Qurate Retail Inc.	United States	Consumer Discretionary	46,470	474	276
Sabre Corp.	United States	Information Technology	13,510	266	193
Saratoga Investment Corp.	United States	Financials	45,443	1,420	1,548
Sixth Street Specialty Lending Inc.	United States	Financials	18,689	525	544
SM Prime Holdings Inc.	Philippines	Real Estate	300,000	255	273
Solar Capital Ltd.	United States	Financials	68,697	1,617	1,557
Solar Senior Capital Ltd.	United States	Financials	89,107	1,705	1,577
Source Energy Services Ltd.	Canada	Energy	29,297	73	70
SSR Mining Inc.	Canada	Materials	5,400	124	147
SuRo Capital Corp.	United States	Financials	129,062	1,967	1,392
Tallinna Kaubamaja Grupp AS	Estonia	Consumer Staples	3,000	42	45
TCG BDC Inc.	United States	Financials	84,341	1,421	1,517
Technics Oil & Gas Ltd.	Singapore	Energy	7,762	5	-
The Goodyear Tire & Rubber Co.	United States	Consumer Discretionary	16,410	267	293
Transalta Corp. 4.60% Perpetual Pfd. Callable 2022 Series C	Canada	Utilities	1,880	35	41
TransAlta Corp. Pfd. Series A	Canada	Utilities	34,354	469	551
Western Digital Corp.	United States	Information Technology	9,444	580	586
Wheaton Precious Metals Corp.	Canada	Materials	43,986	2,504	2,616
WhiteHorse Finance Inc.	United States	Financials	72,489	1,434	1,366
Yamana Gold Inc.	Canada	Materials	39,476	257	276
Total equities				87,324	90,276
EXCHANGE-TRADED FUNDS/NOTES					
CI Gold Bullion Fund	Canada	Exchange-Traded Funds/Notes	400,000	9,680	9,852
Energy Select Sector SPDR Fund	United States	Exchange-Traded Funds/Notes	161,729	14,310	15,452
iShares Silver Trust ETF	United States	Exchange-Traded Funds/Notes	66,974	2,137	1,915
¹ Mackenzie Floating Rate Income ETF	Canada	Exchange-Traded Funds/Notes	1,424,842	28,436	26,952
SPDR Gold Shares ETF	United States	Exchange-Traded Funds/Notes	46,527	9,085	10,506
SPDR S&P Metals & Mining ETF	United States	Exchange-Traded Funds/Notes	80,920	4,551	6,199
Utilities Select Sector SPDR Fund	United States	Exchange-Traded Funds/Notes	532,544	46,237	49,564
Vanguard Global ex-U.S. Real Estate ETF	United States	Exchange-Traded Funds/Notes	412,573	27,550	26,790
Vanguard Real Estate ETF	United States	Exchange-Traded Funds/Notes	203,636	22,626	27,584
Total exchange-traded funds/notes				164,612	174,814

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2022

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
MUTUAL FUNDS					
Cortland Credit Institutional LP Unit	Canada	Mutual Funds	2,696,946	27,018	27,019
Four Quadrant Global Real Estate Partners Class J	Canada	Mutual Funds	2,016,515	23,233	24,076
² Mackenzie Alternative Enhanced Yield Fund Series R	Canada	Mutual Funds	1,151,712	11,554	12,028
² Mackenzie ChinaAMC All China Bond Fund Series R	Canada	Mutual Funds	69,063	691	677
² Mackenzie Gold Bullion Fund Series R	Canada	Mutual Funds	781,392	14,022	14,988
Total mutual funds				76,518	78,788
Total long positions				353,663	365,673
SHORT POSITIONS					
EQUITIES					
Bill.com Holdings Inc.	United States	Information Technology	(1,450)	(196)	(411)
Carvana Co.	United States	Consumer Discretionary	(790)	(232)	(118)
Fiverr International Ltd.	Israel	Consumer Discretionary	(920)	(189)	(87)
Karuna Therapeutics Inc.	United States	Health Care	(1,662)	(159)	(263)
Laredo Petroleum Holdings Inc.	United States	Energy	(2,380)	(274)	(235)
Madison Square Garden Entertainment Corp.	United States	Communication Services	(2,880)	(252)	(300)
MicroStrategy Inc. Class A	United States	Information Technology	(390)	(289)	(237)
Nabors Industries Ltd.	United States	Energy	(1,360)	(279)	(260)
Penumbra Inc.	United States	Health Care	(745)	(165)	(207)
Piedmont Lithium Inc.	United States	Materials	(3,180)	(263)	(290)
QuantumScape Corp.	United States	Consumer Discretionary	(9,310)	(294)	(233)
RH	United States	Consumer Discretionary	(400)	(208)	(163)
Riot Blockchain Inc.	United States	Information Technology	(7,980)	(285)	(211)
Roku Inc.	United States	Communication Services	(1,080)	(252)	(169)
Shake Shack Inc.	United States	Consumer Discretionary	(3,280)	(313)	(278)
SolarEdge Technologies Inc.	United States	Information Technology	(800)	(242)	(322)
Teladoc Inc.	United States	Health Care	(1,136)	(316)	(102)
Tesla Inc.	United States	Consumer Discretionary	(290)	(235)	(391)
Twilio Inc. Class A	United States	Information Technology	(930)	(298)	(192)
Upstart Holdings Inc.	United States	Financials	(1,730)	(262)	(236)
Total equities				(5,003)	(4,705)
Total short positions				(5,003)	(4,705)
Transaction costs				(154)	–
Total investments				348,506	360,968
Derivative instruments (see schedule of derivative instruments)					1,769
Cash and cash equivalents					21,498
Other assets less liabilities					869
Net assets attributable to securityholders					385,104

¹ This exchange-traded fund is managed by Mackenzie.

² This fund is managed by Mackenzie.

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

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SUMMARY OF INVESTMENT PORTFOLIO

MARCH 31, 2022

EFFECTIVE PORTFOLIO ALLOCATION	% OF NAV
Equities	63.6
Bonds	18.9
Commodities	9.7
Cash and short-term investments	4.9
Other assets (liabilities)	2.9

EFFECTIVE REGIONAL ALLOCATION	% OF NAV
United States	59.6
Canada	16.4
Other	8.7
Cash and short-term investments	4.9
Other assets (liabilities)	2.9
Japan	1.6
Australia	1.4
Hong Kong	1.1
United Kingdom	0.9
Singapore	0.6
Germany	0.5
Luxembourg	0.4
China	0.3
Sweden	0.3
Belgium	0.2
Brazil	0.2

EFFECTIVE SECTOR ALLOCATION	% OF NAV
Real estate	20.8
Financials	14.1
Utilities	13.5
Corporate bonds	10.9
Commodities	9.7
Materials	8.6
Term loans	7.8
Cash and short-term investments	4.9
Energy	4.6
Other assets (liabilities)	2.9
Communication services	0.6
Information technology	0.5
Consumer discretionary	0.5
Other	0.2
Federal bonds	0.2
Health care	0.2

MARCH 31, 2021

EFFECTIVE PORTFOLIO ALLOCATION	% OF NAV
Equities	52.4
Bonds	28.7
Cash and short-term investments	12.8
Commodities	6.7
Other assets (liabilities)	(0.6)

EFFECTIVE REGIONAL ALLOCATION	% OF NAV
United States	50.5
Canada	12.8
Cash and short-term investments	12.8
Other	10.7
Other Asia	4.8
Hong Kong	2.5
Taiwan	1.1
China	0.9
Mexico	0.9
India	0.8
Saudi Arabia	0.8
Indonesia	0.7
Brazil	0.7
Turkey	0.6
Other assets (liabilities)	(0.6)

EFFECTIVE SECTOR ALLOCATION	% OF NAV
Real estate	21.2
Corporate bonds	15.2
Financials	13.6
Cash and short-term investments	12.8
Term loans	7.5
Foreign government bonds	6.8
Commodities	6.7
Other	3.4
Materials	3.3
Information technology	3.0
Utilities	1.9
Federal bonds	1.8
Consumer discretionary	1.3
Communication services	1.2
Health care	0.9
Other assets (liabilities)	(0.6)

The effective allocation shows the portfolio, regional or sector exposure of the Fund calculated by combining its direct and indirect investments.

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

SCHEDULE OF DERIVATIVE INSTRUMENTS

as at March 31, 2022

Schedule of Forward Currency Contracts

Counterparty Credit Rating	Currency to be Received (\$ 000)	Currency to be Delivered (\$ 000)	Settlement Date	Contract Cost (\$ 000)	Current Fair Value (\$ 000)	Unrealized Gains (\$ 000)	Unrealized Losses (\$ 000)
AA	110 USD	(142) CAD	Apr. 8, 2022	142	138	–	(4)
A	61,984 CAD	(48,718) USD	Apr. 12, 2022	(61,984)	(60,885)	1,099	–
A	8,103 CAD	(6,475) USD	Apr. 22, 2022	(8,103)	(8,091)	12	–
A	460 USD	(585) CAD	Apr. 22, 2022	585	575	–	(10)
A	850 USD	(1,061) CAD	Apr. 22, 2022	1,061	1,062	1	–
A	287 CAD	(230) USD	Apr. 22, 2022	(287)	(287)	–	–
A	296 CAD	(234) USD	Apr. 27, 2022	(296)	(293)	3	–
AA	985 CAD	(780) USD	Apr. 27, 2022	(985)	(974)	11	–
A	14 CAD	(10) EUR	May 6, 2022	(14)	(13)	1	–
A	115 CAD	(80) EUR	May 6, 2022	(115)	(111)	4	–
A	20 EUR	(28) CAD	May 6, 2022	28	28	–	–
A	28,343 CAD	(22,300) USD	May 10, 2022	(28,343)	(27,865)	478	–
AA	1,490 USD	(1,892) CAD	May 13, 2022	1,892	1,860	–	(32)
AA	2,108 CAD	(1,660) USD	May 13, 2022	(2,108)	(2,074)	34	–
AA	85 USD	(108) CAD	May 13, 2022	108	106	–	(2)
A	350 CAD	(280) USD	May 13, 2022	(350)	(350)	–	–
A	280 USD	(350) CAD	May 13, 2022	350	350	–	–
AA	137 CAD	(95) EUR	May 20, 2022	(137)	(131)	6	–
AA	4 CAD	(3) EUR	May 20, 2022	(4)	(4)	–	–
A	969 CAD	(759) USD	May 20, 2022	(969)	(949)	20	–
A	23 CAD	(18) USD	May 20, 2022	(23)	(23)	–	–
AA	3,770 CAD	(2,944) USD	Jun. 3, 2022	(3,770)	(3,678)	92	–
AA	1,839 CAD	(1,435) USD	Jun. 10, 2022	(1,839)	(1,793)	46	–
AA	382 CAD	(298) USD	Jun. 10, 2022	(382)	(372)	10	–
Total forward currency contracts						1,817	(48)
Total Derivative assets							1,817
Total Derivative liabilities							(48)

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

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, 2022 and 2021, as applicable. In the year a Fund or series is established or reinstated, 'period' represents the period from inception or reinstatement. Where a series of a Fund was terminated during either period, the information for the series is provided up to close of business on the termination date. Refer to Note 10 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. Canada Life Investment Management Ltd. ("CLIML") is wholly owned by The Canada Life Assurance Company ("Canada Life"), 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 June 3, 2022.

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

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.

The Fund's redeemable securities entitle securityholders the right to redeem their interest in the Fund for cash equal to their proportionate share of the net asset value of the Fund, amongst other contractual rights. The Fund's redeemable securities 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.

(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.

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(b) Fair value measurement (cont'd)

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 change in unrealized gains or losses that are best determined at the settlement price. 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 paid for purchasing an option are recorded in the Statement of Financial Position – Investments at fair value.

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, 2022.

The Fund categorizes the fair value of its assets and liabilities into three categories, which are differentiated based on the observable nature of the inputs and extent of estimation required.

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. Examples of Level 2 valuations include quoted prices for similar securities, quoted prices on inactive markets and from recognized investment dealers, and the application of factors derived from observable data to non-North American quoted prices in order to estimate the impact of differences in market closing times.

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.

The estimated fair values for these securities may be different from the values that would have been used had a ready market for the investment existed; 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.

See Note 10 for the fair value classifications of the Fund.

(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. Unrealized gains or losses on investments, 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, on the ex-dividend or distribution date.

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

(d) Commissions and other portfolio transaction costs

Commissions and other portfolio transaction costs are costs incurred to acquire, issue or dispose of financial assets or liabilities. They include fees and commissions paid to agents, exchanges, brokers, dealers and other intermediaries. The total brokerage commissions incurred by the Fund in connection with portfolio transactions for the periods, together with other transaction charges, is disclosed in the Statements of Comprehensive Income. Brokerage business is allocated to brokers based on the best net result for the Fund. Subject to this criteria, 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 10. The value of certain proprietary services provided by brokers cannot be reasonably estimated.

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(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.

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 included in the Statement of Comprehensive Income and recognized when earned. Securities lending transactions are administered by The Bank of New York Mellon (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.

Note 10 summarizes the details of securities loaned and collateral received as at the end of period, as well as a reconciliation of securities lending income during the period, if applicable. Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments, and financial institutions.

(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 10 summarizes the details of such offsetting, if applicable, subject to master netting arrangements or other similar agreements and the net impact to the Statements of Financial Position if all such rights were exercised.

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) 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 and is disclosed in Note 10.

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

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

(k) Mergers

In a fund merger, the Fund acquires all of the assets and assumes all of the liabilities of the terminating fund at fair value in exchange for securities of the Fund on the effective date of the merger.

(l) Future accounting changes

The Fund has determined there are no material implications to the Fund's financial statements arising from IFRS issued but not yet effective.

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.

Ongoing uncertainty regarding the duration and long-term impact of the COVID-19 pandemic and the effectiveness of vaccines against new variants of the virus contributes to uncertainty regarding the timing of a full economic recovery. As a result, it is not possible to reliably estimate the impact of the pandemic on the financial results and condition of the Fund in future periods.

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NOTES TO FINANCIAL STATEMENTS

4. Critical Accounting Estimates and Judgments (cont'd)

The following discusses the most significant accounting judgments and estimates made in preparing the financial statements:

Use of Estimates

Fair value of securities not quoted in an active market

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

Use of Judgments

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

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

Functional currency

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

Structured entities and associates

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

5. Income Taxes

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains in the taxation year, which is not paid or payable to its securityholders as at the end of the taxation year. The Fund maintains a December year-end for tax purposes. The Fund may be subject to withholding taxes on foreign income. In general, the Fund treats withholding tax as a charge against income for tax purposes. The Fund will distribute sufficient amounts from net income for tax purposes, as required, so that the Fund will not pay income taxes other than refundable tax on capital gains, 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 10 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 10 for the management fee and Administration Fee rates charged to each series of securities.

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NOTES TO FINANCIAL STATEMENTS

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, 2022 and 2021 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 10.

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, 2022, 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 become 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 85% of its assets in liquid investments (i.e., investments that can be readily sold).

iii. Currency risk

Currency risk is the risk that financial instruments which are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's functional currency, will fluctuate due to changes in exchange rates. Generally, foreign denominated investments increase in value when the value of the Canadian dollar (relative to foreign currencies) falls. Conversely, when the value of the Canadian dollar rises relative to foreign currencies, the values of foreign denominated investments fall.

Note 10 indicates the foreign currencies, if applicable, to which the Fund had significant exposure, including both monetary and non-monetary financial instruments, and illustrates the potential impact, in Canadian dollar terms, to the Fund's net assets had the Canadian dollar strengthened or weakened by 5% relative to all foreign currencies, all other variables held constant. In practice, the actual trading results may differ and the difference could be material.

The Fund's sensitivity to currency risk illustrated in Note 10 includes potential indirect impacts from underlying funds and Exchange Traded Funds ("ETFs") in which the Fund invests, and/or derivative contracts including forward currency contracts. Other financial assets and liabilities (including dividends and interest receivable, and receivables/payables for investments sold/purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.

iv. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Generally, these securities increase in value when interest rates fall and decrease in value when interest rates rise.

If significant, Note 10 summarizes the Fund's interest-bearing financial instruments by remaining term to maturity and illustrates the potential impact to the Fund's net assets had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, all other variables held constant. The Fund's sensitivity to interest rate changes was estimated using weighted average duration. In practice, the actual trading results may differ and the difference could be material.

The Fund's sensitivity to interest rate risk illustrated in Note 10 includes potential indirect impacts from underlying funds and ETFs in which the Fund invests, and/or derivative contracts. Cash and cash equivalents and other money market instruments are short term in nature and are not generally subject to significant amounts of 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, theoretically 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.

Other price risk typically arises from exposure to equity and commodity securities. If significant, Note 10 illustrates the potential increase or decrease in the Fund's net assets, had the prices on the respective exchanges for these securities increased or decreased by 10%, all other variables held constant. In practice, the actual trading results may differ and the difference could be material.

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

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NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

v. Other price risk (cont'd)

The Fund's sensitivity to other price risk illustrated in Note 10 includes potential indirect impacts from underlying funds and ETFs in which the Fund invests, and/or derivative contracts.

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 10 summarizes the Fund's exposure, if applicable and significant, to credit risk.

If presented, credit ratings and rating categories are based on ratings issued by a designated rating organization. Indirect exposure to credit risk may arise from fixed-income securities, such as bonds, held by underlying funds and ETFs, if any. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

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 10 summarizes the Fund's exposure, if applicable and significant, to these risks from underlying funds.

9. Other Information

Abbreviations

Foreign currencies, if any, are presented in these financial statements using the following abbreviated currency codes:

Currency Code	Description	Currency Code	Description	Currency Code	Description
AUD	Australian dollars	HKD	Hong Kong dollars	PKR	Pakistani rupee
AED	United Arab Emirates Dirham	HUF	Hungarian forint	PLN	Polish zloty
BRL	Brazilian real	IDR	Indonesian rupiah	QAR	Qatar Rial
CAD	Canadian dollars	ILS	Israeli shekel	RON	Romanian leu
CHF	Swiss franc	INR	Indian rupee	RUB	Russian ruble
CKZ	Czech koruna	JPY	Japanese yen	SAR	Saudi riyal
CLP	Chilean peso	KOR	South Korean won	SEK	Swedish krona
CNY	Chinese yuan	MXN	Mexican peso	SGD	Singapore dollars
COP	Colombian peso	MYR	Malaysian ringgit	THB	Thailand baht
CZK	Czech koruna	NGN	Nigerian naira	TRL	Turkish lira
DKK	Danish krone	NOK	Norwegian krona	USD	United States dollars
EGP	Egyptian pound	NTD	New Taiwan dollar	VND	Vietnamese dong
EUR	Euro	NZD	New Zealand dollars	ZAR	South African rand
GBP	United Kingdom pounds	PEN	Peruvian nuevo sol	ZMW	Zambian kwacha
GHS	Ghana Cedi	PHP	Philippine peso		

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NOTES TO FINANCIAL STATEMENTS

10. Fund Specific Information (in '000, except for (a))

(a) Fund Formation and Series Information

Date of Formation: September 29, 2015

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

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

Series A, Series T5 and Series T8 securities are offered to retail investors investing a minimum of \$500 (\$5,000 for Series T5 and Series T8). Investors in Series T5 and Series T8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively.

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

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

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

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

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

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

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

Series PWX, Series PWX5 and Series PWX8 securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor. Investors in Series PWX5 and Series PWX8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively.

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 UM securities are offered only to certain institutional investors.

An investor in the Fund may choose among different purchase options that are available under each series. These purchase options are a sales charge purchase option, a redemption charge purchase option and various low-load purchase options. The charges under the sales charge purchase option are negotiated by investors with their dealers. The charges under the redemption charge and low-load purchase options are paid to Mackenzie if an investor redeems securities of the Fund during specific periods. Not all purchase options are available under each series of the Fund, and the charges for each purchase option may vary among the different series. All deferred sales charge purchase options will cease on or prior to June 2022. For further details on these purchase options, please refer to the Fund's Simplified Prospectus and Fund Facts.

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

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NOTES TO FINANCIAL STATEMENTS

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

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

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees
Series A	October 26, 2015	1.85%	0.21%
Series AR	October 26, 2015	1.85%	0.24%
Series D	October 26, 2015	0.85% ⁽³⁾	0.16%
Series F	October 26, 2015	0.70%	0.15%
Series F5	October 26, 2015	0.70%	0.15%
Series F8	October 24, 2018	0.70%	0.15%
Series FB	October 26, 2015	0.85%	0.21%
Series FB5	October 26, 2015	0.85%	0.21%
Series O	October 26, 2015	— ⁽¹⁾	—*
Series PW	October 26, 2015	1.70%	0.15%
Series PWFB	April 3, 2017	0.70%	0.15%
Series PWFB5	April 3, 2017	0.70%	0.15%
Series PWR	April 1, 2019	1.70%	0.15%
Series PWT5	October 26, 2015	1.70%	0.15%
Series PWT8	October 24, 2018	1.70%	0.15%
Series PWX	October 26, 2015	— ⁽²⁾	— ⁽²⁾
Series PWX5	October 26, 2015	— ⁽²⁾	— ⁽²⁾
Series PWX8	October 24, 2018	— ⁽²⁾	— ⁽²⁾
Series S	October 2, 2017	— ⁽¹⁾	0.025%
Series T5	October 26, 2015	1.85%	0.21%
Series T8	October 24, 2018	1.85%	0.21%
Series UM	October 16, 2017	0.50%	0.15%

* Not applicable.

(1) This fee is negotiable and payable directly to Mackenzie by investors in this series.

(2) This fee is payable directly to Mackenzie by investors in this series through redemptions of their securities.

(3) Prior to April 4, 2022, the management fee for Series D was charged to the Fund at a rate of 1.10%.

(b) Tax Loss Carryforwards

Total Capital Loss \$	Total Non-Capital Loss \$	Expiration Date of Non-Capital Losses													
		2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
21,663	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

(c) Securities Lending

As at March 31, 2022 and 2021, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.

(d) Commissions

	(\$)
March 31, 2022	87
March 31, 2021	201

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NOTES TO FINANCIAL STATEMENTS

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

(e) Risks Associated with Financial Instruments

i. Risk exposure and management

The Fund seeks long-term capital appreciation and the potential for income by investing directly or indirectly, including through the use of derivatives, in a diversified portfolio of alternative asset classes, including real estate, infrastructure, currencies, non-traditional equities and fixed income, and/or other asset classes of issuers located anywhere in the world.

ii. Currency risk

The tables below summarize the Fund's exposure to currency risk.

March 31, 2022								
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)	Impact on net assets			
					Strengthened by 5%		Weakened by 5%	
					(\$)	%	(\$)	%
USD	229,039	(6,759)	(103,543)	118,737				
AUD	2,124	8	–	2,132				
GBP	268	186	–	454				
PHP	273	–	–	273				
EUR	471	–	(231)	240				
COP	166	–	–	166				
JPY	–	60	–	60				
RUB	10	–	–	10				
ILS	1	–	–	1				
Total	232,352	(6,505)	(103,774)	122,073				
% of Net Assets	60.3	(1.7)	(26.9)	31.7				
Total currency rate sensitivity					(7,333)	(1.9)	7,333	1.9

March 31, 2021								
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)	Impact on net assets			
					Strengthened by 5%		Weakened by 5%	
					(\$)	%	(\$)	%
USD	209,768	14,788	(107,244)	117,312				
PLN	1,181	–	–	1,181				
GBP	474	177	–	651				
AUD	526	(2)	–	524				
NTD	393	–	–	393				
EUR	449	–	(148)	301				
JPY	–	67	–	67				
Total	212,791	15,030	(107,392)	120,429				
% of Net Assets	50.7	3.6	(25.6)	28.7				
Total currency rate sensitivity					(7,916)	(1.9)	7,916	1.9

* Includes both monetary and non-monetary financial instruments

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NOTES TO FINANCIAL STATEMENTS

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

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

iii. Interest rate risk

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

	Bonds (\$)	Derivative Instruments (\$)	Impact on net assets			
			Increase by 1%		Decrease by 1%	
March 31, 2022			(\$)	(%)	(\$)	(%)
Less than 1 year	238	–				
1-5 years	10,151	–				
5-10 years	9,095	–				
Greater than 10 years	2,311	–				
Total	21,795	–				
Total sensitivity to interest rate changes			(968)	(0.3)	968	0.3

	Bonds (\$)	Derivative Instruments (\$)	Impact on net assets			
			Increase by 1%		Decrease by 1%	
March 31, 2021			(\$)	(%)	(\$)	(%)
Less than 1 year	1,762	–				
1-5 years	9,021	–				
5-10 years	11,847	–				
Greater than 10 years	8,717	–				
Total	31,347	–				
Total sensitivity to interest rate changes			(5,266)	(1.3)	5,540	1.3

iv. Other price risk

The table below summarizes the Fund's exposure to other price risk.

Impact on net assets	Increased by 10%		Decreased by 10%	
	(\$)	(%)	(\$)	(%)
March 31, 2022	27,194	7.1	(27,194)	(7.1)
March 31, 2021	17,301	4.1	(17,301)	(4.1)

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, 2022, was 0.2% of the net assets of the Fund (2021 – 1.6%).

As at March 31, 2022 and 2021, debt securities by credit rating are as follows:

Bond Rating*	March 31, 2022	March 31, 2021
	% of Net Assets	% of Net Assets
AAA	–	1.6
BBB	0.1	0.1
Less than BBB	4.6	4.9
Unrated	1.0	0.9
Total	5.7	7.5

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

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NOTES TO FINANCIAL STATEMENTS

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

(f) Fair Value Classification

The table below summarizes the fair value of the Fund's financial instruments using the fair value hierarchy described in note 3.

	March 31, 2022				March 31, 2021			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	1,074	20,711	10	21,795	2,035	29,312	–	31,347
Equities – Long	87,256	2,863	157	90,276	61,846	2,714	27	64,587
Equities – Short	(4,705)	–	–	(4,705)	(6,219)	–	–	(6,219)
Exchange-traded funds/notes	174,814	–	–	174,814	204,415	–	–	204,415
Mutual funds	27,693	51,095	–	78,788	25,622	61,820	–	87,442
Derivative assets	–	1,817	–	1,817	–	495	–	495
Derivative liabilities	–	(48)	–	(48)	–	(62)	–	(62)
Short-term investments	–	6,953	–	6,953	–	1,413	–	1,413
Total	286,132	83,391	167	369,690	287,699	95,692	27	383,418

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 ended March 31, 2022, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at March 31, 2022, these securities were classified as Level 2 (2021 – Level 2).

The table below presents a reconciliation of financial instruments measured at fair value using unobservable inputs (Level 3) for the period ended March 31, 2022 and 2021:

	March 31, 2022		March 31, 2021	
	Equites (\$)	Bonds (\$)	Equites (\$)	Bonds (\$)
Balance – beginning of period	27	–	–	–
Purchases	134	143	–	–
Sales	–	–	–	–
Net transfers in (out)	–	7	22	–
Gains (losses) during the period:				
Realized	–	–	–	–
Unrealized	(4)	(140)	5	–
Balance – end of period	157	10	27	–
Unrealized gains (losses) during the period attributable to securities held at end of period	(4)	(502)	5	–

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.

(g) Investments by the Manager and Affiliates

The investments held by the Manager, other funds managed by the Manager, and funds managed by affiliates of the Manager, investing in series CL, IG or S of the Fund, as applicable (as described in *Fund Formation and Series Information* in note 10), were as follows:

	March 31, 2022 (\$)	March 31, 2021 (\$)
The Manager	19	15
Other funds managed by the Manager	–	–
Funds managed by affiliates of the Manager	2,635	2,510

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NOTES TO FINANCIAL STATEMENTS

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

(h) Offsetting of Financial Assets and Liabilities

The tables below present 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, 2022			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	1,186	(10)	–	1,176
Unrealized losses on derivative contracts	(10)	10	–	–
Liability for options written	–	–	–	–
Total	1,176	–	–	1,176

	March 31, 2021			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	275	–	–	275
Unrealized losses on derivative contracts	–	–	–	–
Liability for options written	–	–	–	–
Total	275	–	–	275

(i) Dividend income

Included in dividend income for the period ended March 31, 2022 are dividends paid on securities sold short of \$6 (2021 – \$28).

(j) Unfunded Credit Agreements

The Fund has entered into credit agreements whereby the Fund commits to fund a participation in a senior unsecured credit facility ("Commitment Amount") during an agreed upon period of time ("Commitment Period"). In exchange for providing this potential funding the Fund is entitled to receive a commitment fee ("Commitment Fee") from the issuer equal to a certain percentage of the Commitment Amount at the end of the Commitment Period. The funding requirement and the Commitment Fee are both contingent on whether or not the issuer of the credit agreement completes a contemplated transaction by the end of the Commitment Period. As at March 31, 2022, none of the Commitment Amounts were funded (2021 – \$Nil). The unfunded Commitment Amounts, the Commitment Fee rates and Commitment Period end date are listed below.

	Total Unfunded Commitment Amount (US\$)	Total Number of Commitments	Range of Unfunded Commitment Amounts (US\$)	Range of Commitment Fee Rates (%)	Range of Commitment Period End Date
March 31, 2022	–	–	–	–	–
March 31, 2021	181	1	181	0.500	July 8, 2021