

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ALTERNATIVE FUND

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 is assisted in discharging this responsibility by an Audit Committee, which reviews the financial statements and recommends them for approval by the Board. The Audit Committee also meets regularly with the Manager, internal auditors and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues.

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

On behalf of Mackenzie Financial Corporation,
Manager of the Fund



Barry McInerney
President and Chief Executive Officer



Terry Rountes
Chief Financial Officer, Funds

July 13, 2020

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

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

Basis for Opinion

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

Other Information

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

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

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

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

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



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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
July 13, 2020



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STATEMENTS OF FINANCIAL POSITION

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

	2020	2019		2020	2019
	\$	\$		\$	\$
ASSETS			Net assets attributable to securityholders		
Current assets			per security (note 3)		
Investments at fair value	499,695	575,645	Series A	9.13	10.70
Cash and cash equivalents	136,907	27,966	Series AR	9.26	10.86
Accrued interest receivable	746	1,070	Series D	9.14	10.71
Dividends receivable	429	848	Series F	9.19	10.77
Accounts receivable for investments sold	8,665	712	Series F5	12.25	14.66
Accounts receivable for securities issued	378	1,601	Series F8	12.46	15.37
Due from manager	29	25	Series FB	8.99	10.54
Margin on derivatives	154	23,315	Series FB5	12.10	14.53
Unrealized gains on derivative contracts	422	162	Series O	9.10	10.66
Total assets	647,425	631,344	Series PW	9.26	10.85
			Series PWFB	8.51	9.97
LIABILITIES			Series PWFB5	11.93	14.26
Current liabilities			Series PWR	8.51	–
Investments sold short at fair value	13,637	–	Series PWT5	11.84	14.32
Accounts payable for investments purchased	11,081	854	Series PWT8	12.27	15.32
Accounts payable for securities redeemed	3,771	1,286	Series PWX	9.15	10.72
Due to manager	20	–	Series PWX5	12.69	15.05
Dividends payable on securities sold short	32	–	Series PWX8	12.60	15.41
Liability for options written	–	73	Series S	8.52	9.99
Unrealized losses on derivative contracts	20,456	1,561	Series T5	11.72	14.21
Total liabilities	48,997	3,774	Series T8	12.23	15.30
Net assets attributable to securityholders	598,428	627,570	Series UM	8.48	9.94
Net assets attributable to securityholders					
per series (note 3)					
Series A	88,741	111,254			
Series AR	982	926			
Series D	318	409			
Series F	330,132	363,365			
Series F5	9,533	11,947			
Series F8	2,003	1			
Series FB	100	128			
Series FB5	1	1			
Series O	44,568	33,132			
Series PW	65,876	65,343			
Series PWFB	728	443			
Series PWFB5	1	1			
Series PWR	203	–			
Series PWT5	677	761			
Series PWT8	156	45			
Series PWX	993	1,193			
Series PWX5	32	85			
Series PWX8	96	118			
Series S	2,346	2,543			
Series T5	3,114	2,828			
Series T8	541	104			
Series UM	47,287	32,943			

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



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STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Series A		Series AR		Series D		Series F		Series F5	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	111,254	124,737	926	555	409	452	363,365	211,516	11,947	4,002
Increase (decrease) in net assets from operations	(13,747)	1,766	(150)	17	(56)	8	(48,580)	9,024	(1,318)	335
Distributions paid to securityholders:										
Investment income	(1,824)	(1,809)	(16)	(11)	(11)	(10)	(11,637)	(9,820)	(364)	(283)
Capital gains	-	-	-	-	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-	-	-	(250)	(228)
Management fee rebates	-	-	-	-	-	-	(9)	(5)	-	-
Total distributions paid to securityholders	(1,824)	(1,809)	(16)	(11)	(11)	(10)	(11,646)	(9,825)	(614)	(511)
Security transactions:										
Proceeds from securities issued	41,553	47,969	500	427	137	160	129,803	271,986	3,958	10,398
Reinvested distributions	1,714	1,682	16	11	10	10	7,563	6,883	110	94
Payments on redemption of securities	(50,209)	(63,091)	(294)	(73)	(171)	(211)	(110,373)	(126,219)	(4,550)	(2,371)
Total security transactions	(6,942)	(13,440)	222	365	(24)	(41)	26,993	152,650	(482)	8,121
Total increase (decrease) in net assets	(22,513)	(13,483)	56	371	(91)	(43)	(33,233)	151,849	(2,414)	7,945
End of period	88,741	111,254	982	926	318	409	330,132	363,365	9,533	11,947
Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	10,397	11,648	85	51	38	42	33,743	19,642	815	267
Issued	3,889	4,530	47	40	13	15	12,015	25,358	272	705
Reinvested distributions	160	159	1	1	1	1	705	649	8	6
Redeemed	(4,722)	(5,940)	(27)	(7)	(17)	(20)	(10,528)	(11,906)	(317)	(163)
Securities outstanding – end of period	9,724	10,397	106	85	35	38	35,935	33,743	778	815
	Series F8		Series FB		Series FB5		Series O		Series PW	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	1	-	128	130	1	1	33,132	9,459	65,343	26,909
Increase (decrease) in net assets from operations	(302)	-	(15)	5	-	-	(5,872)	909	(10,311)	1,014
Distributions paid to securityholders:										
Investment income	(36)	-	(3)	(3)	-	-	(1,635)	(773)	(1,369)	(965)
Capital gains	-	-	-	-	-	-	-	-	-	-
Return of capital	(75)	-	-	-	-	-	-	-	-	-
Management fee rebates	-	-	-	-	-	-	-	-	(1)	(6)
Total distributions paid to securityholders	(111)	-	(3)	(3)	-	-	(1,635)	(773)	(1,370)	(971)
Security transactions:										
Proceeds from securities issued	2,532	1	71	121	-	-	18,356	24,131	33,107	49,314
Reinvested distributions	6	-	3	3	-	-	1,635	772	1,330	938
Payments on redemption of securities	(123)	-	(84)	(128)	-	-	(1,048)	(1,366)	(22,223)	(11,861)
Total security transactions	2,415	1	(10)	(4)	-	-	18,943	23,537	12,214	38,391
Total increase (decrease) in net assets	2,002	1	(28)	(2)	-	-	11,436	23,673	533	38,434
End of period	2,003	1	100	128	1	1	44,568	33,132	65,876	65,343
Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	-	-	12	12	-	-	3,107	887	6,021	2,478
Issued	169	-	7	12	-	-	1,737	2,277	3,059	4,564
Reinvested distributions	-	-	-	-	-	-	154	74	123	88
Redeemed	(8)	-	(8)	(12)	-	-	(100)	(131)	(2,085)	(1,109)
Securities outstanding – end of period	161	-	11	12	-	-	4,898	3,107	7,118	6,021

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

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STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

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

	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Series S		Series T5		Series T8		Series UM		Total	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	2,543	95	2,828	4,128	104	–	32,943	23,065	627,570	550,581
Increase (decrease) in net assets from operations	(309)	117	(491)	24	(86)	1	(6,785)	1,004	(88,449)	15,240
Distributions paid to securityholders:										
Investment income	(106)	(41)	(53)	(56)	(5)	–	(1,404)	(905)	(18,557)	(15,434)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	(106)	(123)	(25)	(1)	–	–	(494)	(400)
Management fee rebates	–	–	–	–	–	–	–	–	(10)	(36)
Total distributions paid to securityholders	(106)	(41)	(159)	(179)	(30)	(1)	(1,404)	(905)	(19,061)	(15,870)
Security transactions:										
Proceeds from securities issued	565	3,201	1,783	1,293	716	132	29,154	19,029	263,928	445,387
Reinvested distributions	106	41	56	47	9	1	44	20	12,693	11,146
Payments on redemption of securities	(453)	(870)	(903)	(2,485)	(172)	(29)	(6,665)	(9,270)	(198,253)	(378,914)
Total security transactions	218	2,372	936	(1,145)	553	104	22,533	9,779	78,368	77,619
Total increase (decrease) in net assets	(197)	2,448	286	(1,300)	437	104	14,344	9,878	(29,142)	76,989
End of period	2,346	2,543	3,114	2,828	541	104	47,287	32,943	598,428	627,570
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	255	10	199	280	7	–	3,315	2,319		
Issued	56	331	128	92	48	9	2,941	1,946		
Reinvested distributions	11	4	4	3	1	–	4	2		
Redeemed	(47)	(90)	(65)	(176)	(12)	(2)	(683)	(952)		
Securities outstanding – end of period	275	255	266	199	44	7	5,577	3,315		

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

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STATEMENTS OF CASH FLOWS

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

	2020	2019
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	(88,449)	15,240
Adjustments for:		
Net realized loss (gain) on investments	41,841	(7,787)
Change in net unrealized loss (gain) on investments	67,620	3,730
Distributions received in-kind from underlying funds	(2)	(64)
Purchase of investments	(1,027,223)	(632,931)
Proceeds from sale and maturity of investments	1,029,762	527,620
Change in accrued interest receivable	324	(356)
Change in dividends receivable	419	212
Change in due from manager	(4)	(9)
Change in margin on derivatives	23,161	(23,315)
Change in due to manager	20	(42)
Change in dividends payable on securities sold short	32	–
Net cash from operating activities	47,501	(117,702)
Cash flows from financing activities		
Proceeds from securities issued	240,920	401,651
Payments on redemption of securities	(171,537)	(330,771)
Distributions paid net of reinvestments	(6,368)	(4,724)
Net cash from financing activities	63,015	66,156
Net increase (decrease) in cash and cash equivalents	110,516	(51,546)
Cash and cash equivalents at beginning of period	27,966	79,341
Effect of exchange rate fluctuations on cash and cash equivalents	(1,575)	171
Cash and cash equivalents at end of period	136,907	27,966
Cash	123,732	11,417
Cash equivalents	13,175	16,549
Cash and cash equivalents at end of period	136,907	27,966
Supplementary disclosures on cash flow from operating activities:		
Dividends received	22,443	18,966
Dividends paid	8	114
Foreign taxes paid	2,072	1,701
Interest received	6,642	6,645
Interest paid	15	22

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



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SCHEDULE OF INVESTMENTS

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
LONG PORTFOLIO					
BONDS					
Alchemy US Holdco LLC Term Loan B 1st Lien F/R 10-01-2025	United States	Term Loans	USD 108,000	138	135
Alpha Holding SA de CV 9.00% 02-10-2025 Callable 2023	Mexico	Corporate - Non Convertible	USD 250,000	330	246
APFS Staffing Holdings Inc. Term Loan 1st Lien F/R 04-10-2026	United States	Term Loans	USD 69,475	91	81
Ardonagh Midco 3 PLC 8.63% 07-15-2023 Callable 2020	United Kingdom	Corporate - Non Convertible	USD 210,000	248	269
Ascend Performance Materials Operations LLC Term Loan B 1st Lien F/R 08-16-2026	United States	Term Loans	USD 109,450	142	137
Ball Metalpack Finco LLC Term Loan B 1st Lien F/R 07-26-2025	United States	Term Loans	USD 68,775	89	75
Baytex Energy Corp. 5.63% 06-01-2024 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 330,000	390	182
BCPE Cycle Merger Sub II Inc. 10.63% 07-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 280,000	374	334
Bombardier Inc. 6.00% 10-15-2022 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 225,000	251	238
BWAY Holding Co. 7.25% 04-15-2025 144A	United States	Corporate - Non Convertible	USD 388,000	497	429
Calfrac Holdings LP 8.50% 06-15-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 860,000	1,065	98
California Resources Corp. 8.00% 12-15-2022 Callable 2020 144A	United States	Corporate - Non Convertible	USD 340,000	327	10
CareCentrix Inc. Term Loan 1st Lien F/R 03-22-2025	United States	Term Loans	USD 93,527	120	93
CCS-CMGC Holdings Inc. Term Loan 1st Lien F/R 09-25-2025	United States	Term Loans	USD 59,250	76	67
Chloe Ox Parent LLC Term Loan 1st Lien F/R 12-19-2024	United States	Term Loans	USD 19,600	25	23
Civitas Solutions Inc. Term Loan 1st Lien F/R 02-05-2026	United States	Term Loans	USD 47,718	62	61
Clarity Telecom LLC Term Loan 1st Lien F/R 06-27-2026	United States	Term Loans	USD 69,825	90	84
Commercial Vehicle Group Inc. Term Loan B 1st Lien F/R 03-30-2023	United States	Term Loans	USD 58,397	76	72
CommScope Technologies Finance LLC 8.25% 03-01-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 263,000	353	361
CommScope Technologies LLC 5.00% 03-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 140,000	161	171
Concho Resources Inc. 3.75% 10-01-2027 Callable 2027	United States	Corporate - Non Convertible	USD 500,000	627	596
Connect Finco SARL 6.75% 10-01-2026	United Kingdom	Corporate - Non Convertible	USD 220,000	292	261
Cook & Boardman Group LLC Term Loan 1st Lien F/R 10-12-2025	United States	Term Loans	USD 88,875	115	105
CoolSys Inc. Delayed Draw Term Loan 1st Lien F/R 12-31-2049	United States	Term Loans	USD 5,818	8	8
CoolSys Inc. Term Loan 1st Lien 12-31-2049	United States	Term Loans	USD 34,096	44	47
Crew Energy Inc. 6.50% 03-14-2024 Callable	Canada	Corporate - Non Convertible	90,000	90	54
Crown Subsea Communications Holding Inc. Term Loan 1st Lien F/R 11-02-2025	United States	Term Loans	USD 25,128	32	31
Diamondback Energy Inc. 3.25% 12-01-2026 Callable 2026	United States	Corporate - Non Convertible	USD 300,000	326	296
Diamondback Energy Inc. 3.50% 12-01-2029 Callable 2029	United States	Corporate - Non Convertible	USD 680,000	703	666
DynCorp International Inc. Term Loan B 1st Lien F/R 08-15-2025	United States	Term Loans	USD 78,000	101	95
EagleTree-Carbide Acquisition Corp. Term Loan 1st Lien F/R 08-28-2024	United States	Term Loans	USD 76,338	97	90
eG Global Finance PLC 6.75% 02-07-2025 Callable 2021 144A	United Kingdom	Corporate - Non Convertible	USD 330,000	445	388
Electrical Components International Inc. Term Loan 2nd Lien F/R 06-22-2026	United States	Term Loans	USD 20,000	25	24
Ensono LP Term Loan 1st Lien F/R 04-30-2025	United States	Term Loans	USD 58,752	75	70
EnTrans International LLC Term Loan 1st Lien F/R 10-29-2025	United States	Term Loans	USD 82,125	107	100
Exela Intermediate LLC 10.00% 07-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 175,000	212	69
FAGE International SA/FAGE USA Dairy Industry Inc. 5.63% 08-15-2026 Callable 2021 144A	Luxembourg	Corporate - Non Convertible	USD 405,000	480	474



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SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
LONG PORTFOLIO (cont'd)					
BONDS (cont'd)					
First American Payment Systems LP Term Loan B 1st Lien F/R 02-21-2027	United States	Term Loans	USD 50,000	66	62
First Quantum Minerals Ltd. 7.25% 04-01-2023 Callable 2020 144A	Zambia	Corporate - Non Convertible	USD 510,000	651	608
Foxtrot Escrow Issuer LLC 12.25% 11-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 410,000	527	453
Fusion Connect Inc. Term Loan B 1st Lien F/R 05-03-2023	United States	Term Loans	USD 43,322	54	23
FXI Holdings Inc. 7.88% 11-01-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 187,000	239	182
GBT III BV Term Loan 1st Lien F/R 02-27-2027	Netherlands	Term Loans	USD 43,540	57	54
GBT US III LLC Term Loan Delayed Draw 1st Lien F/R 02-27-2027	United States	Term Loans	USD 36,460	48	45
Government of Canada 2.75% 12-01-2048	Canada	Federal Government	13,000,000	16,543	17,431
Hadrian Merger Sub Inc. 8.50% 05-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 231,000	294	244
Heritage Power LLC Term Loan B 1st Lien F/R 07-08-2026	United States	Term Loans	USD 119,400	152	139
IDB Development Corp. 4.95% 12-18-2025 Inflation Indexed	Israel	Corporate - Non Convertible	ILS 2,969	1	—
Intelsat Jackson Holdings SA 8.50% 10-15-2024 Callable 2020 144A	Luxembourg	Corporate - Non Convertible	USD 300,000	341	268
Inter Pipeline Ltd. F/R 03-26-2079 Callable 2029	Canada	Corporate - Non Convertible	585,000	589	521
Inter Pipeline Ltd. F/R 11-19-2079 Callable 2029	Canada	Corporate - Non Convertible	120,000	120	101
Invesque Inc. 5.00% 01-31-2022 Callable 2021	Canada	Corporate - Convertible	USD 1,600,000	1,970	1,511
iQor US Inc. Term Loan 2nd Lien F/R 04-01-2022	United States	Term Loans	USD 250,000	301	99
Iris Merger Sub 2019 Inc. 9.38% 02-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 50,000	66	69
Isagenix International LLC Term Loan 1st Lien F/R 04-26-2025	United States	Term Loans	USD 64,398	82	34
Jane Street Group LLC Term Loan B 1st Lien F/R 01-31-2025	United States	Term Loans	USD 39,875	53	51
Keyera Corp. F/R 06-13-2079 Callable 2029	Canada	Corporate - Non Convertible	630,000	631	560
Keystone Peer Review Organization Holdings Inc. Term Loan 1st Lien F/R 05-01-2024	United States	Term Loans	USD 58,500	78	68
Kruger Products LP 6.00% 04-24-2025 Callable 2021	Canada	Corporate - Non Convertible	188,000	182	174
LABL Escrow Issuer LLC 10.50% 07-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 203,000	271	267
Lamb Weston Holdings Inc. 4.63% 11-01-2024 Callable 2021 144A	United States	Corporate - Non Convertible	USD 290,000	395	405
LifeMiles Ltd. Term Loan B 1st Lien F/R 08-18-2022	Colombia	Term Loans	USD 68,003	87	78
LifeScan Global Corp. Term Loan 1st Lien F/R 06-19-2024	United States	Term Loans	USD 110,054	140	125
Mattel Inc. 3.15% 03-15-2023 Callable 2022	United States	Corporate - Non Convertible	USD 60,000	78	79
Matterhorn Merger Sub LLC 8.50% 06-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 244,000	312	278
McGraw-Hill Global Education Holdings LLC Term Loan 1st Lien F/R 05-04-2022	United States	Term Loans	USD 145,196	177	170
MEG Energy Corp. 7.00% 03-31-2024 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 170,000	190	111
MEG Energy Corp. 7.13% 02-01-2027 Callable 2023 144A	Canada	Corporate - Non Convertible	USD 440,000	578	310
Meredith Corp. 6.88% 02-01-2026 Callable 2021	United States	Corporate - Non Convertible	USD 150,000	192	186
Millar Western Forest Products Ltd. 9.50% 06-20-2023 Callable 2020	Canada	Corporate - Non Convertible	375,000	375	267
Minotaur Acquisition Inc. Term Loan 1st Lien F/R 02-27-2026	United States	Term Loans	USD 98,950	128	118
Multi-Color Corp. Term Loan B 1st Lien F/R 06-17-2026	United States	Term Loans	USD 89,550	119	107
Natel Engineering Co. Inc. Term Loan B 1st Lien F/R 04-29-2026	United States	Term Loans	USD 59,550	80	64
Neenah Foundry Co. Term Loan B 1st Lien F/R 12-08-2022	United States	Term Loans	USD 41,194	52	51
Nine Energy Service Inc. 8.75% 11-01-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 260,000	341	92
Nufarm Australia Ltd. 5.75% 04-30-2026 Callable 2021 144A	Australia	Corporate - Non Convertible	USD 300,000	378	366



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LONG PORTFOLIO (cont'd)					
BONDS (cont'd)					
NuVista Energy Ltd. 6.50% 03-02-2023 Callable 2020	Canada	Corporate - Non Convertible	370,000	351	239
Occidental Petroleum Corp. 4.10% 02-01-2021 Callable 2020	United States	Corporate - Non Convertible	USD 250,000	336	300
Occidental Petroleum Corp. 4.40% 04-15-2046 Callable 2045	United States	Corporate - Non Convertible	USD 370,000	369	234
Office Depot Inc. Term Loan B 1st Lien F/R 11-08-2022	United States	Term Loans	USD 48,339	60	66
Owens & Minor Inc. Term Loan B 1st Lien F/R 05-01-2025	United States	Term Loans	USD 41,350	52	48
Panther BF Aggregator 2 LP 8.50% 05-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 255,000	344	314
Parsley Energy LLC/Parsley Finance Corp. 5.38% 01-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 500,000	564	546
Parsley Energy LLC 4.13% 02-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 250,000	271	241
The Pasha Group Term Loan B 1st Lien F/R 12-13-2022	United States	Term Loans	USD 53,498	67	64
Petroleos De Venezuela SA 6.00% 05-16-2024	Venezuela	Corporate - Non Convertible	USD 170,000	55	19
Pluto Acquisition I Inc. Term Loan 1st Lien F/R 06-18-2026	United States	Term Loans	USD 89,325	118	108
Polymer Process Holdings Inc. Term Loan 1st Lien F/R 04-29-2026	United States	Term Loans	USD 99,250	130	127
Premier Dental Services Inc. Term Loan B 1st Lien F/R 06-30-2023	United States	Term Loans	USD 158,274	199	221
PS HoldCo LLC Term Loan 1st Lien F/R 03-02-2025	United States	Term Loans	USD 49,250	63	64
PSC Industrial Outsourcing LP Term Loan 2nd Lien F/R 10-05-2025	United States	Term Loans	USD 50,000	62	68
Rackspace Hosting Inc. 8.63% 11-15-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 425,000	550	539
Radiology Partners Inc. 9.25% 02-01-2028	United States	Corporate - Non Convertible	USD 250,000	329	306
Rayonier AM Products Inc. 5.50% 06-01-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 530,000	546	341
Research Now Group Inc. Term Loan 1st Lien F/R 12-20-2024	United States	Term Loans	USD 96,781	118	123
Research Now Group Inc. Term Loan 2nd Lien F/R 12-20-2025	United States	Term Loans	USD 30,000	36	33
Rite Aid Corp. 6.13% 04-01-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 318,000	373	391
Rite Aid Corp. 7.50% 07-01-2025 Callable 2022	United States	Corporate - Non Convertible	USD 184,000	216	252
Rite Aid Corp. 7.70% 02-15-2027	United States	Corporate - Non Convertible	USD 665,000	797	730
Shields Health Solutions Holdings LLC Term Loan 1st Lien F/R 08-13-2026	United States	Term Loans	USD 69,650	92	86
Source Energy Services Canada LP 10.50% 12-15-2021 Callable 2020 144A	Canada	Corporate - Non Convertible	541,000	563	208
Star West Generation LLC Term Loan B 1st Lien F/R 03-13-2020	United States	Term Loans	USD 48,211	54	66
Starfruit US Holdco LLC 8.00% 10-01-2026 Callable 2021 144A	Netherlands	Corporate - Non Convertible	USD 30,000	38	40
Talen Energy Supply LLC 10.50% 01-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 150,000	170	159
Talen Energy Supply LLC 7.25% 05-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 90,000	115	113
Talen Energy Supply LLC 6.63% 01-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 110,000	144	132
Teneo Holdings LLC Term Loan B 1st Lien F/R 07-12-2025	United States	Term Loans	USD 119,400	150	138
Tenet Healthcare Corp. 6.75% 06-15-2023	United States	Corporate - Non Convertible	USD 5,000	6	7
Terrier Media Buyer Inc. 8.88% 12-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 150,000	198	180
Teva Pharmaceutical Industries Ltd. 2.80% 07-21-2023	Israel	Corporate - Non Convertible	USD 373,000	425	485
Titan Sub LLC Term Loan B 1st Lien F/R 09-19-2026	United States	Term Loans	USD 69,825	92	84
Trilogy International Partners LLC 8.88% 05-01-2022 Callable 2020 144A	United States	Corporate - Non Convertible	USD 90,000	121	119
Trivium Packaging Finance BV 8.50% 08-15-2027 Callable 2022 144A	Netherlands	Corporate - Non Convertible	USD 250,000	326	355
Trulieve Cannabis Corp. 9.75% 06-18-2024	United States	Corporate - Non Convertible	USD 435,000	569	453
Uber Technologies Inc. 8.00% 11-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 515,000	668	727



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LONG PORTFOLIO (cont'd)					
BONDS (cont'd)					
Ultra Clean Holdings Inc. Term Loan B 1st Lien F/R 08-27-2025	United States	Term Loans	USD 35,903	46	44
US Silica Holdings Inc. Term Loan B 1ST Lien F/R 05-01-2025	United States	Term Loans	USD 371,812	472	270
Vesta Energy Corp. 8.13% 07-24-2023 Callable 2020 144A	Canada	Corporate - Non Convertible	530,000	530	214
W&T Offshore Inc. 9.75% 11-01-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 200,000	245	64
Wildbrain Ltd. 5.88% 09-30-2024 Conv.	Canada	Corporate - Convertible	20,000	19	13
Wolverine World Wide Inc. 8.50% 11-15-2024 Callable 2021 144A	United States	Corporate - Non Convertible	USD 80,000	105	92
WPX Energy Inc. 5.75% 06-01-2026 Callable 2021	United States	Corporate - Non Convertible	USD 415,000	507	338
WPX Energy Inc. 4.50% 01-15-2030 Callable 2025	United States	Corporate - Non Convertible	USD 389,000	388	293
Xplornet Communications Inc. 9.63% 06-01-2022 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 223,919	295	300
Yak Access LLC Term Loan B 1st Lien F/R 06-26-2025	United States	Term Loans	USD 45,308	58	47
Yak Access LLC Term Loan B 2nd Lien F/R 06-29-2026	United States	Term Loans	USD 20,000	24	18
YPF SA 6.95% 07-21-2027	Argentina	Corporate - Non Convertible	USD 280,000	272	205
Zotec Partners LLC Term Loan Term B 1st Lien F/R 02-14-2024	United States	Term Loans	USD 85,822	107	110
Total bonds				48,427	43,045
EQUITIES					
A.O. Smith Corp.	United States	Industrials	4,859	317	259
Abertis Infraestructuras SA	Spain	Industrials	2,993	68	24
Adobe Systems Inc.	United States	Information Technology	1,257	539	564
Air Lease Corp.	United States	Industrials	4,234	259	132
Akcea Therapeutics Inc.	United States	Health Care	29,430	609	593
Akebia Therapeutics Inc.	United States	Health Care	55,560	533	594
Alibaba Group Holding Ltd. ADR	China	Consumer Discretionary	5,984	1,639	1,641
Allegheny Technologies Inc.	United States	Materials	7,332	186	88
Allegion PLC	United States	Industrials	2,698	346	350
Alliant Energy Corp.	United States	Utilities	11,368	724	773
AMERCO	United States	Industrials	8,000	3,235	3,277
American Electric Power Co. Inc.	United States	Utilities	21,381	2,455	2,411
Apollo Investment Corp.	United States	Financials	47,004	1,040	447
Arch Capital Group Ltd.	United States	Financials	4,633	262	186
Ares Capital Corp.	United States	Financials	126,825	3,040	1,927
Assured Guaranty Ltd.	United States	Financials	20,228	1,024	735
AT&T Inc.	United States	Communication Services	69,149	3,137	2,842
Berkshire Hathaway Inc. Class A	United States	Financials	102	45,703	39,114
BlackRock Kelso Capital Corp.	United States	Financials	101,317	769	314
The Blackstone Group Inc. Class A	United States	Financials	32,208	2,108	2,069
Bloomin' Brands Inc.	United States	Consumer Discretionary	58,810	541	592
Booz Allen Hamilton Holding Corp.	United States	Information Technology	5,265	502	509
C.H. Robinson Worldwide Inc.	United States	Industrials	3,746	424	350
Calix Inc.	United States	Information Technology	58,191	675	581
CarGurus Inc.	United States	Consumer Discretionary	9,798	458	262
CBRE Group Inc. Class A	United States	Real Estate	3,503	276	186
CDW Corp. of Delaware	United States	Information Technology	8,473	1,533	1,114
Cerus Corp.	United States	Health Care	89,639	607	588
Chegg Inc.	United States	Consumer Discretionary	4,502	228	227
Cliffs Natural Resources Inc.	United States	Materials	20,414	194	114



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LONG PORTFOLIO (cont'd)					
EQUITIES (cont'd)					
CNH Industrial NV	United Kingdom	Industrials	214,742	3,266	1,698
Compugen Ltd.	Israel	Health Care	54,058	667	553
Consolidated Edison Inc.	United States	Utilities	8,315	940	914
Copart Inc.	United States	Industrials	14,718	1,777	1,422
Cornerstone Building Brands Inc.	United States	Industrials	75,030	509	482
Crescent Capital BDC Inc.	United States	Financials	68,814	1,509	936
D.R. Horton Inc.	United States	Consumer Discretionary	13,702	1,012	657
Dave & Buster's Entertainment Inc.	United States	Consumer Discretionary	1,000	65	18
DTE Energy Co.	United States	Utilities	4,807	725	644
Dynatrace Inc.	United States	Information Technology	2,000	87	67
Eagle Materials Inc.	United States	Materials	29,388	3,161	2,420
Edison International	United States	Utilities	10,766	940	832
Edwards Lifesciences Corp.	United States	Health Care	5,538	1,690	1,473
Elders Ltd.	Australia	Consumer Staples	200,000	1,203	1,321
Envestnet Inc.	United States	Information Technology	5,597	544	424
Essent Group Ltd.	United States	Financials	20,326	1,427	755
Essential Properties Realty Trust Inc.	United States	Real Estate	44,473	1,510	819
Euronet Worldwide Inc.	United States	Information Technology	2,547	517	308
Evergy Inc.	United States	Utilities	15,085	1,246	1,171
Eversource Energy	United States	Utilities	8,458	846	933
Evoqua Water Technologies LLC	United States	Industrials	40,308	1,069	637
Exelon Corp.	United States	Utilities	25,292	1,440	1,313
Expeditors International of Washington Inc.	United States	Industrials	4,651	439	437
Fairfax Financial Holdings Ltd. Pfd. Series E	Canada	Financials	1,580	23	16
Fairfax Financial Holdings Ltd. Pfd. Series F	Canada	Financials	1,160	17	10
Fidus Investment Corp.	United States	Financials	37,151	742	347
FleetCor Technologies Inc.	United States	Information Technology	2,524	1,017	664
Flextronics International Ltd.	United States	Information Technology	48,650	573	574
Fortinet Inc.	United States	Information Technology	12,917	1,840	1,842
Fortune Brands Home & Security Inc.	United States	Industrials	4,244	295	259
Foxconn Technology Co. Ltd.	Taiwan	Information Technology	122,000	452	281
Franco-Nevada Corp.	Canada	Materials	6,006	807	845
Gilead Sciences Inc.	United States	Health Care	4,300	453	453
Glu Mobile Inc.	United States	Communication Services	64,100	519	568
Goldman Sachs BDC Inc.	United States	Financials	38,529	1,077	670
Halozyme Therapeutics Inc.	United States	Health Care	22,380	549	568
Hannon Armstrong Sustainable Infrastructure Capital Inc.	United States	Real Estate	11,159	418	321
Harmonic Inc.	United States	Information Technology	66,462	644	540
HDFC Bank Ltd. ADR	India	Financials	6,290	517	341
HEICO Corp.	United States	Industrials	9,131	1,506	960
Herbalife Nutrition Ltd.	United States	Consumer Staples	4,539	256	187
Husky Energy Inc. Pfd. Series 3	Canada	Energy	6,540	121	65
Husky Energy Inc. 4.45% 12-31-2049 Pfd. Series 1	Canada	Energy	59,070	766	331
Immunomedics Inc.	United States	Health Care	31,420	758	597
Incyte Corp.	United States	Health Care	12,279	1,477	1,268
InMode Ltd.	United States	Health Care	28,928	1,609	877
Inseego Corp.	United States	Information Technology	64,520	504	567



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
LONG PORTFOLIO (cont'd)					
EQUITIES (cont'd)					
Intuitive Surgical Inc.	United States	Health Care	308	236	215
Ironwood Pharmaceuticals Inc.	United States	Health Care	39,970	599	569
J.B. Hunt Transport Services Inc.	United States	Industrials	2,952	430	384
j2 Global Inc.	United States	Information Technology	8,628	1,084	910
Jazz Pharmaceuticals PLC	United States	Health Care	1,345	260	189
JPMorgan Chase & Co.	United States	Financials	5,948	1,064	755
Just Energy Group Inc.	Canada	Utilities	97,778	610	69
Karyopharm Therapeutics Inc.	United States	Health Care	20,000	501	542
L3Harris Technologies Inc.	United States	Industrials	974	264	247
Leidos Holdings Inc.	United States	Information Technology	4,256	542	550
Lennar Corp. Class A	United States	Consumer Discretionary	9,113	615	491
Lennox International Inc.	United States	Industrials	1,158	343	297
Limelight Networks Inc.	United States	Information Technology	74,600	503	599
Lululemon Athletica Inc.	United States	Consumer Discretionary	5,960	1,844	1,593
Malibu Boats Inc. Class A	United States	Consumer Discretionary	20,000	1,072	812
Manulife Financial Corp. Pfd. Series 13	Canada	Financials	1,970	36	24
Masco Corp.	United States	Industrials	8,689	449	423
Medley Capital Corp.	United States	Financials	92,899	439	76
Mersana Therapeutics Inc.	United States	Health Care	61,511	604	506
Microsoft Corp.	United States	Information Technology	4,943	1,030	1,099
Molecular Templates Inc.	United States	Health Care	27,488	353	515
Momo Inc.	China	Communication Services	22,312	1,047	682
Monroe Capital Corp.	United States	Financials	24,883	397	249
Mr. Cooper Group Inc.	United States	Financials	57,940	604	599
New Oriental Education & Technology Group Inc. ADR	China	Consumer Discretionary	9,236	1,531	1,409
Newell Brands Inc.	United States	Consumer Discretionary	28,780	552	539
NMI Holdings Inc. Class A	United States	Financials	39,585	1,731	648
Norfolk Southern Corp.	United States	Industrials	11,123	2,441	2,289
NorthWestern Corp.	United States	Utilities	10,140	890	855
Nucor Corp.	United States	Materials	8,496	593	431
OGE Energy Corp.	United States	Utilities	5,695	286	247
Old Dominion Freight Line Inc.	United States	Industrials	3,271	487	605
OneMarket Ltd.	Australia	Information Technology	770	1	1
Owens Corning Inc.	United States	Industrials	6,737	460	369
Oxford Square Capital Corp.	United States	Financials	40,647	341	146
Paycom Software Inc.	United States	Information Technology	2,935	1,189	836
Paylocity Holding Corp.	United States	Information Technology	11,024	1,822	1,373
PennantPark Investment Corp.	United States	Financials	142,703	1,275	521
PennyMac Financial Services Inc.	United States	Financials	33,499	1,502	1,044
Pentair PLC	United Kingdom	Industrials	42,704	2,500	1,792
Planet Fitness Inc.	United States	Consumer Discretionary	5,033	505	346
PPL Corp.	United States	Utilities	20,189	780	702
Prospect Capital Corp.	United States	Financials	219,420	2,043	1,315
Public Service Enterprise Group Inc.	United States	Utilities	13,377	963	847
PulteGroup Inc.	United States	Consumer Discretionary	8,369	339	263
RadNet Inc.	United States	Health Care	41,980	639	622
Reliance Steel & Aluminum Co.	United States	Materials	2,104	266	260



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LONG PORTFOLIO (cont'd)					
EQUITIES (cont'd)					
ResMed Inc.	United States	Health Care	1,265	258	263
RH	United States	Consumer Discretionary	6,643	2,039	941
Royal Gold Inc.	United States	Materials	1,742	260	215
Santander Bank Polska SA	Poland	Financials	17,000	2,201	1,003
ServiceNow Inc.	United States	Information Technology	4,108	1,552	1,660
Shaw Communications Inc. Pfd Series A	Canada	Consumer Discretionary	42,860	657	454
Solar Senior Capital Ltd.	United States	Financials	32,805	744	449
Sonos Inc.	United States	Consumer Discretionary	45,440	756	543
Source Energy Services Ltd.	Canada	Energy	3,094	29	–
Southern Co.	United States	Utilities	29,610	2,139	2,260
Spirit Realty Capital Inc.	United States	Real Estate	14,580	1,001	538
Steel Dynamics Inc.	United States	Materials	6,444	289	205
StoneCo Ltd.	Brazil	Information Technology	19,760	1,027	606
STORE Capital Corp.	United States	Real Estate	9,003	458	230
Sysco Corp.	United States	Consumer Staples	13,614	1,240	876
TCP Capital Corp.	United States	Financials	28,540	547	251
Technics Oil & Gas Ltd.	Singapore	Energy	7,762	5	–
Tenet Healthcare Corp.	United States	Health Care	22,953	734	466
Teva Pharmaceutical Industries Ltd. ADR	Israel	Health Care	20,928	987	265
Theravance Biopharma Inc.	United States	Health Care	18,540	598	604
THL Credit Inc.	United States	Financials	66,224	672	247
TPG Specialty Lending Inc.	United States	Financials	81,721	2,209	1,604
TransAlta Corp. Pfd. Series A	Canada	Utilities	45,209	604	363
Trulieve Cannabis Corp. Purchase Warrants Exp. 06-18-2022	United States	Health Care	12,060	–	27
Union Pacific Corp.	United States	Industrials	10,522	2,107	2,092
United Parcel Service Inc. (UPS) Class B	United States	Industrials	18,961	2,844	2,497
Universal Display Corp.	United States	Information Technology	6,937	1,772	1,289
Universal Health Services Inc. Class B	United States	Health Care	2,531	420	354
Veeva Systems Inc. Class A	United States	Health Care	7,307	1,417	1,611
Verint Systems Inc.	United States	Information Technology	28,000	1,895	1,697
Verizon Communications Inc.	United States	Communication Services	100,526	7,909	7,615
Visa Inc. Class A	United States	Information Technology	2,090	521	475
Vulcan Materials Co.	United States	Materials	3,642	601	555
Warsaw Stock Exchange	Poland	Financials	80,000	1,179	940
WEC Energy Group Inc.	United States	Utilities	8,464	941	1,052
Western Digital Corp.	United States	Information Technology	9,270	570	544
Yandex NV	Russia	Communication Services	4,823	269	232
Zynga Inc.	United States	Communication Services	58,460	471	565
Total equities				198,944	161,691
OPTIONS					
Options purchased (see schedule of options purchased)				38	245
Total options				38	245



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LONG PORTFOLIO (cont'd)					
EXCHANGE-TRADED FUNDS/NOTES					
iShares Global Infrastructure ETF	United States	Exchange-Traded Funds/Notes	866,728	38,854	41,728
iShares Mortgage Real Estate ETF	United States	Exchange-Traded Funds/Notes	255,000	8,591	6,723
iShares MSCI EAFE Small Cap Index ETF	United States	Exchange-Traded Funds/Notes	203,453	15,192	12,859
Mackenzie Emerging Markets Bond Index ETF (CAD-Hedged)	Canada	Exchange-Traded Funds/Notes	536,500	53,771	45,640
Mackenzie Floating Rate Income ETF	Canada	Exchange-Traded Funds/Notes	600,000	12,784	10,068
Mackenzie Maximum Diversification Emerging Markets Index ETF	Canada	Exchange-Traded Funds/Notes	140,000	3,602	2,644
Mackenzie US TIPS Index ETF (CAD-Hedged)	Canada	Exchange-Traded Funds/Notes	117,151	11,518	12,071
SPDR Gold Trust ETF	United States	Exchange-Traded Funds/Notes	200,000	36,131	41,744
Vanguard Real Estate ETF	United States	Exchange-Traded Funds/Notes	413,559	40,738	40,725
Total exchange-traded funds/notes				221,181	214,202
MUTUAL FUNDS					
Cortland Credit Institutional LP Unit	Canada	Mutual Funds	3,869,215	38,762	38,762
Mackenzie China Bond Fund Series R	Canada	Mutual Funds	70,163	702	715
Mackenzie Gold Bullion Class Series R	Canada	Mutual Funds	781,392	10,502	14,048
Timbercreek Four Quadrant Global Real Estate Partners Class J	Canada	Mutual Funds	2,540,848	29,274	26,987
Total mutual funds				79,240	80,512
Total long portfolio				547,830	499,695
SHORT PORTFOLIO					
EQUITIES					
Abercrombie & Fitch Co. Class A	United States	Consumer Discretionary	(39,167)	(771)	(502)
AdvanSix Inc.	United States	Materials	(43,417)	(769)	(584)
Alliance Data Systems Corp.	United States	Information Technology	(10,740)	(914)	(510)
Arch Coal Inc. Class A	United States	Energy	(14,340)	(780)	(584)
Avalara Inc.	United States	Information Technology	(4,883)	(534)	(514)
Avanos Medical Inc.	United States	Health Care	(15,489)	(638)	(588)
Beyond Meat Inc.	United States	Consumer Staples	(5,920)	(736)	(556)
Boot Barn Holdings Inc.	United States	Consumer Discretionary	(29,031)	(827)	(529)
Canada Goose Holdings Inc.	Canada	Consumer Discretionary	(19,372)	(799)	(543)
Elastic NV	United States	Information Technology	(7,239)	(624)	(570)
Glaukos Corp.	United States	Health Care	(11,642)	(675)	(507)
Guardant Health Inc.	United States	Health Care	(5,780)	(589)	(567)
Herc Holdings Inc.	United States	Industrials	(20,206)	(834)	(583)
HubSpot Inc.	United States	Information Technology	(2,970)	(572)	(558)
New Relic Inc.	United States	Information Technology	(7,930)	(578)	(517)
Ollie's Bargain Outlet Holding Inc.	United States	Consumer Discretionary	(8,895)	(623)	(581)
Sage Therapeutics Inc.	United States	Health Care	(12,322)	(910)	(499)
Shake Shack Inc.	United States	Consumer Discretionary	(9,640)	(699)	(513)
Silk Road Medical Inc.	United States	Health Care	(12,660)	(562)	(562)
Six Flags Entertainment Corp.	United States	Consumer Discretionary	(27,824)	(499)	(492)
Turning Point Brands Inc.	United States	Consumer Staples	(19,030)	(654)	(566)
Twilio Inc. Class A	United States	Information Technology	(4,054)	(635)	(511)
Wayfair Inc. Class A	United States	Consumer Discretionary	(8,459)	(899)	(637)



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MACKENZIE DIVERSIFIED ALTERNATIVES FUND

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ALTERNATIVE FUND

SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
SHORT PORTFOLIO (cont'd)					
EQUITIES (cont'd)					
World Wrestling Entertainment Inc. Class A	United States	Communication Services	(11,590)	(678)	(554)
YETI Holdings Inc.	United States	Consumer Discretionary	(18,545)	(724)	(510)
Total equities				(17,523)	(13,637)
Total short portfolio				(17,523)	(13,637)
Transaction costs				(222)	–
Total investments				530,085	486,058
Derivative instruments (see schedule of derivative instruments)					(20,034)
Cash and cash equivalents					136,907
Other assets less liabilities					(4,503)
Total net assets					598,428



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SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2020	
Effective Portfolio Allocation	% of NAV
Equities	46.7
Cash and short-term investments	25.9
Bonds	22.8
<i>Bonds</i>	22.8
<i>Purchased options</i>	0.0
<i>Short futures</i>	0.0
Commodities	9.3
Other assets (liabilities)	(4.7)

Effective Regional Allocation		% of NAV
United States	42.7	
Cash and short-term investments	25.9	
Other	16.7	
Canada	9.4	
Commodities	2.3	
China	1.4	
United Kingdom	1.3	
Australia	1.1	
Japan	0.8	
Mexico	0.7	
Spain	0.6	
Italy	0.6	
Indonesia	0.5	
Brazil	0.5	
Ireland	0.1	
Hong Kong	0.1	
Other assets (liabilities)	(4.7)	

Effective Sector Allocation		% of NAV
Cash and short-term investments	25.9	
Real estate	11.2	
Financials	11.0	
Corporate bonds	9.8	
Commodities	9.3	
Foreign government bonds	7.8	
Industrials	6.3	
Utilities	6.0	
Other	3.7	
Information technology	3.0	
Federal bonds	3.0	
Communication services	2.2	
Health care	2.1	
Term loans	2.1	
Consumer discretionary	1.3	
Other assets (liabilities)	(4.7)	

March 31, 2019	
Effective Portfolio Allocation	% of NAV
Equities	50.7
Bonds	32.3
<i>Bonds</i>	32.3
<i>Purchased options</i>	0.0
<i>Written options</i>	(0.0)
Cash and short-term investments	7.1
Commodities	6.5
Other assets (liabilities)	3.3
Exchange-traded funds/notes	0.1

Effective Regional Allocation		% of NAV
United States	54.4	
Canada	10.6	
Other	9.0	
Cash and short-term investments	7.1	
Commodities	6.5	
Other assets (liabilities)	3.3	
United Kingdom	2.6	
Japan	1.3	
Hong Kong	1.0	
Netherlands	0.8	
France	0.8	
Australia	0.7	
Brazil	0.5	
Poland	0.5	
Russia	0.5	
Mexico	0.4	

Effective Sector Allocation		% of NAV
Corporate bonds	15.7	
Financials	11.5	
Industrials	10.5	
Real estate	8.6	
Other	8.1	
Term loans	8.1	
Cash and short-term investments	7.1	
Commodities	6.5	
Federal bonds	6.3	
Utilities	4.9	
Other assets (liabilities)	3.3	
Communication services	3.1	
Materials	2.4	
Health care	2.1	
Information technology	1.7	
Foreign government bonds	0.1	

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

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ALTERNATIVE FUND

SCHEDULE OF OPTIONS PURCHASED

As at March 31, 2020

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Paid (\$ 000s)	Fair Value (\$ 000s)
iShares iBoxx \$ High Yield Corporate Bond ETF	128	Put	May 15, 2020	USD 85.00	28	154
iShares iBoxx \$ High Yield Corporate Bond ETF	64	Put	Jun. 19, 2020	USD 86.00	10	91
Total options					38	245



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MACKENZIE DIVERSIFIED ALTERNATIVES FUND

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ALTERNATIVE FUND

SCHEDULE OF DERIVATIVE INSTRUMENTS

As at March 31, 2020

Schedule of Futures Contracts

Number of Contracts	Type of Contract	Expiration Date	Average Rate of Contracts (\$)	Notional Value* (\$ 000s)	Unrealized Gains (\$ 000s)
(2)	Euro-BTP Futures June 2020	Jun. 8, 2020	141.98 EUR	(439)	2
Unrealized Gains				(439)	2
Total futures contracts				(439)	2

* Notional value represents the exposure to the underlying instruments as at March 31, 2020

Schedule of Forward Currency Contracts

Counterparty Credit Rating	Bought (\$ 000s)	Sold (\$ 000s)	Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized Gains (Losses) (\$ 000s)		
AA	1,038	U.S. dollar	(1,456)	Canadian dollar	Apr. 3, 2020	1,456	1,463	7
A	210	U.S. dollar	(295)	Canadian dollar	Apr. 3, 2020	295	296	1
A	1,475	U.S. dollar	(2,028)	Canadian dollar	Apr. 17, 2020	2,028	2,077	49
AA	595	Canadian dollar	(420)	U.S. dollar	Apr. 17, 2020	(595)	(592)	3
A	330	U.S. dollar	(439)	Canadian dollar	May 8, 2020	439	465	26
A	200	U.S. dollar	(265)	Canadian dollar	May 8, 2020	265	281	16
A	12,798	U.S. dollar	(208,600,000)	Indonesian rupiah	Jun. 5, 2020	(18,042)	(17,863)	179
A	1,725	U.S. dollar	(2,286)	Canadian dollar	Jun. 12, 2020	2,286	2,425	139
Unrealized Gains						420		
AA	130,500	Norwegian krone	(20,471)	Euro	Apr. 2, 2020	20,471	17,666	(2,805)
AA	16,265	Euro	(130,500)	Norwegian krone	Apr. 2, 2020	(16,265)	(17,666)	(1,401)
A	274	Canadian dollar	(210)	U.S. dollar	Apr. 3, 2020	(274)	(296)	(22)
AA	1,356	Canadian dollar	(1,038)	U.S. dollar	Apr. 3, 2020	(1,356)	(1,463)	(107)
AA	6,094	Canadian dollar	(4,682)	U.S. dollar	Apr. 17, 2020	(6,094)	(6,592)	(498)
A	260	Canadian dollar	(200)	U.S. dollar	Apr. 17, 2020	(260)	(281)	(21)
AA	290	U.S. dollar	(419)	Canadian dollar	Apr. 17, 2020	419	408	(11)
AA	463	U.S. dollar	(672)	Canadian dollar	Apr. 17, 2020	672	653	(19)
AA	1,253	Canadian dollar	(960)	U.S. dollar	Apr. 24, 2020	(1,253)	(1,351)	(98)
A	1,738	Canadian dollar	(1,330)	U.S. dollar	May 8, 2020	(1,738)	(1,870)	(132)
A	90,377	Canadian dollar	(68,350)	U.S. dollar	May 15, 2020	(90,377)	(96,136)	(5,759)
A	58,787	Canadian dollar	(44,458)	U.S. dollar	May 15, 2020	(58,787)	(62,530)	(3,743)
A	48,400	U.S. dollar	(70,013)	Canadian dollar	May 15, 2020	70,013	68,075	(1,938)
AA	1,371	Canadian dollar	(1,035)	U.S. dollar	May 22, 2020	(1,371)	(1,456)	(85)
AA	340	U.S. dollar	(480)	Canadian dollar	May 22, 2020	480	478	(2)
A	208,600,000	Indonesian rupiah	(14,900)	U.S. dollar	Jun. 5, 2020	21,006	17,863	(3,143)
A	2,596	Canadian dollar	(1,959)	U.S. dollar	Jun. 12, 2020	(2,596)	(2,754)	(158)
AA	1,919	Canadian dollar	(1,435)	U.S. dollar	Jun. 19, 2020	(1,919)	(2,018)	(99)
A	6,961	Canadian dollar	(5,210)	U.S. dollar	Jun. 19, 2020	(6,961)	(7,326)	(365)
A	2,397	Canadian dollar	(1,740)	U.S. dollar	Jun. 19, 2020	(2,397)	(2,447)	(50)
A	295	Canadian dollar	(210)	U.S. dollar	Jul. 10, 2020	(295)	(295)	–
Unrealized (Losses)						(20,456)		
Total forward currency contracts						(20,036)		
Total derivative instruments at fair value						(20,034)		



MACKENZIE
Investments

NOTES TO FINANCIAL STATEMENTS

1. Fiscal Periods and General Information

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

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

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

2. Basis of Preparation and Presentation

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

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

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

3. Significant Accounting Policies

(a) Financial instruments

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(b) Fair value measurement

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

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

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

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

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

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

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

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

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

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

(c) Income recognition

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

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

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(d) Commissions and other portfolio transaction costs

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

(e) Securities lending, repurchase and reverse repurchase transactions

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

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

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

(f) Offsetting

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

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

(g) Foreign currency

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

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

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

(h) Net assets attributable to securityholders per security

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

(i) Net asset value per security

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

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

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

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(k) Mergers

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

4. Critical Accounting Estimates and Judgments

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

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

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

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

Use of Estimates

Fair value of securities not quoted in an active market

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

Use of Judgments

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

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

Functional currency

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

Structured entities and associates

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

NOTES TO FINANCIAL STATEMENTS

5. Income Taxes

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

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

6. Management Fees and Operating Expenses

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

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

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

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

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

7. Fund's Capital

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

8. Financial Instruments Risk

i. Risk exposure and management

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

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

NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

ii. Liquidity risk

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

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

iii. Currency risk

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

iv. Interest rate risk

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

v. Other price risk

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

vi. Credit risk

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

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

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

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

vii. Underlying funds

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

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9. Fund Specific Information *(in '000s, 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.

Series PWF and Series PWF5 securities are no longer available for sale. Effective June 1, 2018, Series PWF and Series PWF5 securities were consolidated into Series F and Series F5 securities, respectively.

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

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

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NOTES TO FINANCIAL STATEMENTS

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

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

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Mar. 31, 2020	Mar. 31, 2019
Series A	October 26, 2015	1.85%	0.21%	9.20	10.70
Series AR	October 26, 2015	1.85%	0.24%	9.34	10.86
Series D	October 26, 2015	1.10%	0.16%	9.21	10.71
Series F	October 26, 2015	0.70% ⁽³⁾	0.15% ⁽⁶⁾	9.26	10.76
Series F5	October 26, 2015	0.70% ⁽³⁾	0.15% ⁽⁶⁾	12.35	14.66
Series F8	October 24, 2018	0.70%	0.15%	12.57	15.36
Series FB	October 26, 2015	0.85%	0.21%	9.07	10.54
Series FB5	October 26, 2015	0.85%	0.21%	12.20	14.53
Series O	October 26, 2015	— ⁽¹⁾	—*	9.17	10.66
Series PW	October 26, 2015	1.70% ⁽⁴⁾	0.15%	9.33	10.85
Series PWF	None issued ⁽⁷⁾	0.80%	0.15%	—	—
Series PWF5	None issued ⁽⁸⁾	0.80%	0.15%	—	—
Series PWFB	April 3, 2017	0.70% ⁽⁵⁾	0.15%	8.58	9.97
Series PWFB5	April 3, 2017	0.70% ⁽⁵⁾	0.15%	12.03	14.25
Series PWR	April 1, 2019	1.70%	0.15%	8.58	—
Series PWT5	October 26, 2015	1.70% ⁽⁴⁾	0.15%	11.93	14.31
Series PWT8	October 24, 2018	1.70%	0.15%	12.37	15.31
Series PWX	October 26, 2015	— ⁽²⁾	— ⁽²⁾	9.22	10.71
Series PWX5	October 26, 2015	— ⁽²⁾	— ⁽²⁾	12.79	15.05
Series PWX8	October 24, 2018	— ⁽²⁾	— ⁽²⁾	12.70	15.40
Series S	October 2, 2017	— ⁽¹⁾	0.025%	8.59	9.98
Series T5	October 26, 2015	1.85%	0.21%	11.81	14.20
Series T8	October 24, 2018	1.85%	0.21%	12.33	15.29
Series UM	October 16, 2017	0.50%	0.15%	8.55	9.93

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

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

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

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

(7) The series' original start date was October 26, 2015. All securities in the series were consolidated into Series F on June 1, 2018.

(8) The series' original start date was October 26, 2015. All securities in the series were consolidated into Series F5 on June 1, 2018.

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NOTES TO FINANCIAL STATEMENTS

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

(b) Investments by Mackenzie and Affiliates

As at March 31, 2020, Mackenzie and The Canada Life Assurance Company had an investment of \$15 and \$2,346 (2019 – \$16 and \$2,543), respectively, in the Fund.

(c) Loss Carryforwards

As at the last taxation year-end, the Fund has capital losses of \$48,235 which may be carried forward indefinitely to reduce future realized capital gains. There were no non-capital losses available to carry forward for tax purposes.

(d) Securities Lending

As at March 31, 2020 and 2019, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.

(e) Commissions

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

	(\$)
March 31, 2020	298
March 31, 2019	159

(f) Dividend income

Included in dividend income for the period ended March 31, 2020 are dividends paid on securities sold short of \$40 (2019 – \$114).

(g) Investments Pledged as Collateral

As at March 31, 2020, no cash (2019 – \$23,367) has been pledged as collateral against written options.

(h) Offsetting of Financial Assets and Liabilities

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

	March 31, 2020			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	44	(42)	–	2
Unrealized losses on derivative contracts	(4,159)	42	154	(3,963)
Liability for options written	–	–	–	–
Total	(4,115)	–	154	(3,961)

	March 31, 2019			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	14	(14)	–	–
Unrealized losses on derivative contracts	(157)	14	–	(143)
Liability for options written	(73)	–	–	(73)
Total	(216)	–	–	(216)

(i) 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.

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

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NOTES TO FINANCIAL STATEMENTS

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

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

ii. Currency risk

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

March 31, 2020				
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	309,567	103,333	(110,786)	302,114
Polish zloty	1,943	–	–	1,943
Australian dollar	1,322	(2)	–	1,320
Taiwanese dollar	281	–	–	281
British pound	–	169	–	169
Japanese yen	24	–	2	26
Euro	–	22	–	22
Total	313,137	103,522	(110,784)	305,875
% of Net Assets	52.3	17.3	(18.5)	51.1

March 31, 2019				
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	380,126	50,200	(173,073)	257,253
Euro	8,666	–	(527)	8,139
British pound	7,859	130	–	7,989
Japanese yen	2,513	78	–	2,591
Hong Kong dollar	2,017	–	–	2,017
Swiss franc	1,856	–	–	1,856
Polish zloty	1,820	–	–	1,820
Norwegian krone	878	–	–	878
Israeli shekel	671	–	–	671
Taiwanese dollar	325	–	–	325
Indian rupee	66	–	(63)	3
Indonesian rupiah	–	–	1	1
Australian dollar	1,513	(19)	(1,530)	(36)
Total	408,310	50,389	(175,192)	283,507
% of Net Assets	65.1	8.0	(27.9)	45.2

* Includes both monetary and non-monetary financial instruments



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

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

ii. Currency risk (cont'd)

As at March 31, 2020, had the Canadian dollar increased or decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$16,923 or 2.8% of total net assets (2019 – \$15,716 or 2.5%). In practice, the actual trading results may differ and the difference could be material.

iii. Interest rate risk

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

Term to Maturity	March 31, 2020 (\$)		March 31, 2019 (\$)	
	Bonds	Derivative Instruments	Bonds	Derivative Instruments
Less than 1 year	366	(439)	343	–
1-5 years	10,600	–	21,215	–
5-10 years	13,177	–	33,434	–
Greater than 10 years	18,902	–	571	–
Total	43,045	(439)	55,563	–

As at March 31, 2020, had prevailing interest rates increased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased by approximately \$8,511 or 1.4% (2019 – \$5,861 or 0.9%) of total net assets. Similarly, had prevailing interest rates decreased by 1%, with all other variables held constant, net assets would have increased by approximately \$8,519 or 1.4% (2019 – \$5,909 or 0.9%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

iv. Other price risk

The Fund's most significant exposure to price risk arises from its investment in equity securities, options on equities, exchange-traded funds/notes and mutual funds. As at March 31, 2020, had the prices on the respective stock exchanges for these securities increased by 10%, with all other variables held constant, net assets would have increased by approximately \$31,813 or 5.3% of total net assets (2019 – \$34,287 or 5.5%). Similarly, had the prices on the respective stock exchanges for these securities decreased by 10%, with all other variables held constant, net assets would have decreased by approximately \$31,813 or 5.3% of total net assets (2019 – \$36,168 or 5.8%). In practice, the actual trading results may differ and the difference could be material.

v. Credit risk

The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum exposure to any one debt issuer as at March 31, 2020, was 2.9% of the net assets of the Fund (2019 – 0.3%).

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

Bond Rating*	March 31, 2020	March 31, 2019
	% of Net Assets	% of Net Assets
AAA	2.9	–
AA	–	–
A	–	0.3
BBB	0.3	0.1
Less than BBB	3.6	8.2
Unrated	0.4	0.3
Total	7.2	8.9

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

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

(j) Fair Value Classification

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

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

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

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

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

	March 31, 2020				March 31, 2019			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	1,524	41,521	–	43,045	2,049	53,514	–	55,563
Equities – Long	158,121	3,570	–	161,691	202,092	–	–	202,092
Equities – Short	(13,637)	–	–	(13,637)	–	–	–	–
Options	–	245	–	245	45	–	–	45
Exchange-traded funds/notes	214,202	–	–	214,202	233,553	–	–	233,553
Mutual funds	14,763	65,749	–	80,512	25,510	58,882	–	84,392
Derivative assets	2	420	–	422	–	162	–	162
Derivative liabilities	–	(20,456)	–	(20,456)	–	(1,634)	–	(1,634)
Short-term investments	–	13,175	–	13,175	–	16,549	–	16,549
Total	374,975	104,224	–	479,199	463,249	127,473	–	590,722

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.

In accordance with the Fund's valuation policy, the Fund applies fair value adjustment factors to the quoted market prices for non-North American equities when North American intraday stock market movements exceed pre-determined tolerances. The adjustment factors are applied in order to estimate the impact on fair values of events occurring between the close of the non-North American stock markets and the close of business for the Fund. If fair value adjustment factors are applied, non-North American equities are classified as Level 2. Consequently, during the period ended March 31, 2020, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at March 31, 2020, these securities were classified as Level 2 (2019 – Level 1). Equities classified as Level 2 investments are valued based on the prices provided by a third party administrator who prices the securities by incorporating observable market data and using standard market convention practices.

For the period ended March 31, 2020, equity positions with a fair value of \$33 (2019 – \$Nil) were transferred from Level 1 to Level 2 as a result of changes in the inputs used for valuation.

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.



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