

Interim Unaudited Financial Statements

For the Six-Month Period Ended September 30, 2019

These Interim Unaudited Financial Statements do not contain the Interim Management Report of Fund Performance (“MRFP”) of the investment fund. You may obtain a copy of the Interim MRFP, at no cost, by contacting us using one of the methods noted under Fund Formation and Series Information or by visiting the SEDAR website at www.sedar.com. Copies of the Annual Financial Statements or Annual MRFP may also be obtained, at no cost, using any of the methods outlined above.

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

NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS

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

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



MACKENZIE DIVERSIFIED ALTERNATIVES FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

ALTERNATIVE FUND

STATEMENTS OF FINANCIAL POSITION

In thousands (except per security figures)
As at

	Sep. 30 2019	Mar. 31 2019 (Audited)		Sep. 30 2019	Mar. 31 2019 (Audited)	
	\$	\$		\$	\$	
ASSETS						
Current assets						
Investments at fair value	614,143	575,645	Net assets attributable to securityholders per security (note 3)	Series A	10.66	10.70
Cash and cash equivalents	56,993	27,966		Series AR	10.82	10.86
Accrued interest receivable	879	1,070		Series D	10.67	10.71
Dividends receivable	705	848		Series F	10.73	10.77
Accounts receivable for investments sold	11,888	712		Series F5	14.50	14.66
Accounts receivable for securities issued	1,193	1,601		Series F8	14.99	15.37
Due from manager	44	25		Series FB	10.50	10.54
Margin on derivatives	26	23,315		Series FB5	14.35	14.53
Unrealized gains on derivative contracts	495	162		Series O	10.63	10.66
Total assets	686,366	631,344		Series PW	10.81	10.85
LIABILITIES						
Current liabilities						
Investments sold short at fair value	12,182	–		Series PWFB	9.94	9.97
Accounts payable for investments purchased	1,426	854		Series PWFB5	14.12	14.26
Accounts payable for securities redeemed	616	1,286		Series PWR	9.95	–
Dividends payable on securities sold short	5	–	Series PWT5	14.08	14.32	
Liability for options written	–	73	Series PWT8	14.83	15.32	
Unrealized losses on derivative contracts	1,475	1,561	Series PWX	10.68	10.72	
Total liabilities	15,704	3,774	Series PWX5	14.96	15.05	
Net assets attributable to securityholders	670,662	627,570	Series PWX8	15.09	15.41	
Net assets attributable to securityholders per series (note 3)						
Series A	108,927	111,254	Series S	9.95	9.99	
Series AR	984	926	Series T5	13.95	14.21	
Series D	417	409	Series T8	14.80	15.30	
Series F	386,579	363,365	Series UM	9.90	9.94	
Series F5	10,939	11,947				
Series F8	1,866	1				
Series FB	123	128				
Series FB5	1	1				
Series O	35,593	33,132				
Series PW	72,435	65,343				
Series PWFB	809	443				
Series PWFB5	1	1				
Series PWR	172	–				
Series PWT5	606	761				
Series PWT8	210	45				
Series PWX	1,185	1,193				
Series PWX5	85	85				
Series PWX8	115	118				
Series S	2,717	2,543				
Series T5	2,780	2,828				
Series T8	320	104				
Series UM	43,798	32,943				

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

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

ALTERNATIVE FUND

STATEMENTS OF COMPREHENSIVE INCOME

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

	2019	2018
	\$	\$
Income (note 9(f))		
Dividends	10,362	8,702
Interest income	4,059	3,245
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	2,632	1,345
Net unrealized gain (loss)	(4,094)	(5,612)
Fee rebate income	187	299
Total income (loss)	13,146	7,979
Expenses (note 6)		
Management fees	3,619	3,410
Management fee rebates	(5)	(31)
Administration fees	563	527
Interest charges	5	13
Borrowing fees	4	–
Commissions and other portfolio transaction costs	342	318
Independent Review Committee fees	1	1
Other	–	1
Expenses before amounts absorbed by Manager	4,529	4,239
Expenses absorbed by Manager	–	–
Net expenses	4,529	4,239
Increase (decrease) in net assets attributable to securityholders from operations before tax	8,617	3,740
Foreign withholding taxes	1,146	791
Foreign income taxes paid (recovered)	–	8
Increase (decrease) in net assets attributable to securityholders from operations	7,471	2,941
Increase (decrease) in net assets attributable to securityholders from operations per series		
Series A	670	190
Series AR	6	–
Series D	6	1
Series F	4,882	1,639
Series F5	157	52
Series F8	5	–
Series FB	3	1
Series FB5	–	–
Series O	608	47
Series PW	498	(137)
Series PWF	–	909
Series PWF5	–	26
Series PWFB	8	2
Series PWFB5	–	–
Series PWR	–	–
Series PWT5	5	–
Series PWT8	1	–
Series PWX	21	12
Series PWX5	2	–

	2019	2018
	\$	\$
Series PWX8	1	–
Series S	46	1
Series T5	21	–
Series T8	–	–
Series UM	531	198
Increase (decrease) in net assets attributable to securityholders from operations per security		
Series A	0.06	0.02
Series AR	0.07	–
Series D	0.11	0.03
Series F	0.14	0.05
Series F5	0.19	0.09
Series F8	0.24	–
Series FB	0.15	0.10
Series FB5	0.17	0.08
Series O	0.19	0.05
Series PW	0.08	(0.03)
Series PWF	–	0.07
Series PWF5	–	0.09
Series PWFB	0.12	0.06
Series PWFB5	0.21	0.12
Series PWR	–	–
Series PWT5	0.12	(0.01)
Series PWT8	0.05	–
Series PWX	0.19	0.13
Series PWX5	0.27	0.15
Series PWX8	0.27	–
Series S	0.17	0.11
Series T5	0.09	–
Series T8	0.10	–
Series UM	0.14	0.08

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



MACKENZIE
Investments

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

ALTERNATIVE FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	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	670	190	6	–	6	1	4,882	1,639	157	52
Distributions paid to securityholders:										
Investment income	(1,076)	(943)	(9)	(5)	(6)	(5)	(6,255)	(4,686)	(201)	(128)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–	–	–	(92)	(94)
Management fee rebates	–	–	–	–	–	–	(4)	(1)	–	–
Total distributions paid to securityholders	(1,076)	(943)	(9)	(5)	(6)	(5)	(6,259)	(4,687)	(293)	(222)
Security transactions:										
Proceeds from securities issued	19,788	28,071	245	159	42	85	66,104	218,383	1,389	7,684
Reinvested distributions	1,010	874	9	5	6	5	4,166	3,198	43	34
Payments on redemption of securities	(22,719)	(39,325)	(193)	(24)	(40)	(117)	(45,679)	(57,646)	(2,304)	(1,061)
Total security transactions	(1,921)	(10,380)	61	140	8	(27)	24,591	163,935	(872)	6,657
Total increase (decrease) in net assets	(2,327)	(11,133)	58	135	8	(31)	23,214	160,887	(1,008)	6,487
End of period	108,927	113,604	984	690	417	421	386,579	372,403	10,939	10,489
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	10,397	11,648	85	51	38	42	33,743	19,642	815	267
Issued	1,850	2,624	23	15	4	9	6,132	20,262	94	514
Reinvested distributions	94	82	1	–	1	–	388	297	3	2
Redeemed	(2,124)	(3,663)	(18)	(2)	(4)	(11)	(4,240)	(5,360)	(158)	(71)
Securities outstanding – end of period	10,217	10,691	91	64	39	40	36,023	34,841	754	712
	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	5	–	3	1	–	–	608	47	498	(137)
Distributions paid to securityholders:										
Investment income	(5)	–	(2)	(1)	–	–	(731)	(188)	(753)	(428)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	(9)	–	–	–	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–	(1)	(5)
Total distributions paid to securityholders	(14)	–	(2)	(1)	–	–	(731)	(188)	(754)	(433)
Security transactions:										
Proceeds from securities issued	1,886	–	51	60	–	–	2,424	21,695	15,167	35,439
Reinvested distributions	–	–	2	1	–	–	731	188	732	418
Payments on redemption of securities	(12)	–	(59)	(98)	–	–	(571)	(251)	(8,551)	(4,814)
Total security transactions	1,874	–	(6)	(37)	–	–	2,584	21,632	7,348	31,043
Total increase (decrease) in net assets	1,865	–	(5)	(37)	–	–	2,461	21,491	7,092	30,473
End of period	1,866	–	123	93	1	1	35,593	30,950	72,435	57,382
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	–	–	12	12	–	–	3,107	887	6,021	2,478
Issued	125	–	6	6	–	–	227	2,044	1,398	3,252
Reinvested distributions	–	–	–	–	–	–	69	18	68	38
Redeemed	(1)	–	(6)	(9)	–	–	(54)	(24)	(788)	(443)
Securities outstanding – end of period	124	–	12	9	–	–	3,349	2,925	6,699	5,325

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

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

ALTERNATIVE FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

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

	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Series PWF		Series PWF5		Series PWF8		Series PWF5		Series PWR	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	-	139,361	-	4,506	443	258	1	1	-	-
Increase (decrease) in net assets from operations	-	909	-	26	8	2	-	-	-	-
Distributions paid to securityholders:										
Investment income	-	(663)	-	(21)	(10)	(6)	-	-	(2)	-
Capital gains	-	-	-	-	-	-	-	-	-	-
Return of capital	-	-	-	(17)	-	-	-	-	-	-
Management fee rebates	-	(25)	-	-	-	-	-	-	-	-
Total distributions paid to securityholders	-	(688)	-	(38)	(10)	(6)	-	-	(2)	-
Security transactions:										
Proceeds from securities issued	-	15,168	-	267	470	198	-	-	172	-
Reinvested distributions	-	561	-	11	10	6	-	-	2	-
Payments on redemption of securities	-	(155,311)	-	(4,772)	(112)	(27)	-	-	-	-
Total security transactions	-	(139,582)	-	(4,494)	368	177	-	-	174	-
Total increase (decrease) in net assets	-	(139,361)	-	(4,506)	366	173	-	-	172	-
End of period	-	-	-	-	809	431	1	1	172	-
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	-	12,943	-	300	44	26	-	-	-	-
Issued	-	1,416	-	18	47	20	-	-	17	-
Reinvested distributions	-	52	-	1	1	1	-	-	-	-
Redeemed	-	(14,411)	-	(319)	(11)	(3)	-	-	-	-
Securities outstanding – end of period	-	-	-	-	81	44	-	-	17	-
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	761	509	45	-	1,193	847	85	50	118	-
Increase (decrease) in net assets from operations	5	-	1	-	21	12	2	-	1	-
Distributions paid to securityholders:										
Investment income	(7)	(7)	(1)	-	(25)	(20)	(2)	(1)	(2)	-
Capital gains	-	-	-	-	-	-	-	-	-	-
Return of capital	(8)	(14)	(3)	-	-	-	-	-	(2)	-
Management fee rebates	-	-	-	-	-	-	-	-	-	-
Total distributions paid to securityholders	(15)	(21)	(4)	-	(25)	(20)	(2)	(1)	(4)	-
Security transactions:										
Proceeds from securities issued	91	506	166	-	79	362	-	35	-	-
Reinvested distributions	3	6	2	-	25	20	1	-	2	-
Payments on redemption of securities	(239)	(19)	-	-	(108)	(101)	(1)	-	(2)	-
Total security transactions	(145)	493	168	-	(4)	281	-	35	-	-
Total increase (decrease) in net assets	(155)	472	165	-	(8)	273	-	34	(3)	-
End of period	606	981	210	-	1,185	1,120	85	84	115	-
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	53	34	3	-	111	79	6	3	8	-
Issued	7	35	11	-	8	33	-	3	-	-
Reinvested distributions	-	-	-	-	2	2	-	-	-	-
Redeemed	(17)	(1)	-	-	(10)	(9)	-	-	-	-
Securities outstanding – end of period	43	68	14	-	111	105	6	6	8	-

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

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

ALTERNATIVE FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

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

	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	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	46	1	21	–	–	–	531	198	7,471	2,941
Distributions paid to securityholders:										
Investment income	(56)	(2)	(29)	(30)	(1)	–	(682)	(427)	(9,855)	(7,561)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	(41)	(66)	(4)	–	–	–	(159)	(191)
Management fee rebates	–	–	–	–	–	–	–	–	(5)	(31)
Total distributions paid to securityholders	(56)	(2)	(70)	(96)	(5)	–	(682)	(427)	(10,019)	(7,783)
Security transactions:										
Proceeds from securities issued	246	27	271	420	303	–	13,328	7,328	122,222	335,887
Reinvested distributions	56	2	25	23	4	–	19	8	6,848	5,360
Payments on redemption of securities	(118)	(3)	(295)	(787)	(86)	–	(2,341)	(1,587)	(83,430)	(265,943)
Total security transactions	184	26	1	(344)	221	–	11,006	5,749	45,640	75,304
Total increase (decrease) in net assets	174	25	(48)	(440)	216	–	10,855	5,520	43,092	70,462
End of period	2,717	120	2,780	3,688	320	–	43,798	28,585	670,662	621,043
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	255	10	199	280	7	–	3,315	2,319		
Issued	24	2	19	29	21	–	1,341	737		
Reinvested distributions	6	–	2	2	–	–	2	1		
Redeemed	(12)	–	(21)	(54)	(6)	–	(236)	(160)		
Securities outstanding – end of period	273	12	199	257	22	–	4,422	2,897		

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



MACKENZIE
Investments

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

ALTERNATIVE FUND

STATEMENTS OF CASH FLOWS

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

	2019	2018
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	7,471	2,941
Adjustments for:		
Net realized loss (gain) on investments	(5,107)	(4,582)
Change in net unrealized loss (gain) on investments	4,250	5,659
Purchase of investments	(435,412)	(314,902)
Proceeds from sale and maturity of investments	399,077	239,375
Change in accrued interest receivable	191	(271)
Change in dividends receivable	143	(63)
Change in due from manager	(19)	16
Change in margin on derivatives	23,289	(1,343)
Change in due to manager	–	(42)
Change in dividends payable on securities sold short	5	110
Net cash from operating activities	(6,112)	(73,102)
Cash flows from financing activities		
Proceeds from securities issued	111,137	304,142
Payments on redemption of securities	(72,607)	(230,109)
Distributions paid net of reinvestments	(3,171)	(2,423)
Net cash from financing activities	35,359	71,610
Net increase (decrease) in cash and cash equivalents	29,247	(1,492)
Cash and cash equivalents at beginning of period	27,966	79,341
Effect of exchange rate fluctuations on cash and cash equivalents	(220)	(384)
Cash and cash equivalents at end of period	56,993	77,465
Cash	26,759	22,977
Cash equivalents	30,234	54,488
Cash and cash equivalents at end of period	56,993	77,465
Supplementary disclosures on cash flow from operating activities:		
Dividends received	10,510	8,753
Dividends paid	–	4
Foreign taxes paid	1,146	799
Interest received	4,250	2,974
Interest paid	5	13

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

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

ALTERNATIVE FUND

SCHEDULE OF INVESTMENTS

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
LONG PORTFOLIO					
BONDS					
AAC holdings Inc. Term Loan 1st Lien F/R 06-30-2023	United States	Term Loans	USD 132,403	166	149
Acproducts Inc. Term Loan 1st Lien F/R 02-14-2024	United States	Term Loans	USD 128,375	161	164
Al Ladder Luxembourg Term Loan B 1st Lien F/R 05-04-2025	United States	Term Loans	USD 70,694	88	86
AL Midcoast Holdings LLC Term Loan B 1st Lien F/R 06-28-2025	United States	Term Loans	USD 49,500	65	65
Alchemy US Holdco LLC Term Loan B 1st Lien F/R 10-01-2025	United States	Term Loans	USD 78,500	99	103
AMC Entertainment Holdings Inc. 5.88% 11-15-2026 Callable	United States	Corporate - Non Convertible	USD 140,000	172	169
American Teleconferencing Services Ltd. Term Loan 1st Lien F/R 12-08-2021	United States	Term Loans	USD 168,127	183	140
Antero Resources Corp. 5.63% 06-01-2023 Callable	United States	Corporate - Non Convertible	USD 250,000	311	287
APFS Staffing Holdings Inc. Term Loan 1st Lien F/R 04-10-2026	United States	Term Loans	USD 69,825	91	92
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 110,000	143	146
Ball Metalpack Finco LLC Term Loan B 1st Lien F/R 07-26-2025	United States	Term Loans	USD 69,125	90	86
Bausch Health Cos Inc. 8.50% 01-31-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 150,000	204	223
Bausch Health Cos Inc. 5.75% 08-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 150,000	197	215
Bausch Health Cos Inc. 7.00% 01-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 230,000	312	328
Baytex Energy Corp. 5.63% 06-01-2024 Callable 2019 144A	Canada	Corporate - Non Convertible	USD 500,000	591	619
BCPE Cycle Merger Sub II Inc. 10.63% 07-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 280,000	374	360
BMC Acquisition Inc. Term Loan 1st Lien F/R 12-15-2024	United States	Term Loans	USD 29,125	37	38
Boardriders Inc. Term Loan B 1st Lien F/R 03-21-2024	United States	Term Loans	USD 17,690	22	23
Bright Bidco BV Term Loan B 1st Lien F/R 06-30-2024	Netherlands	Term Loans	USD 496,198	509	316
BWAY Holding Co. 7.25% 04-15-2025 144A	United States	Corporate - Non Convertible	USD 450,000	579	570
C&D Technologies Inc. Term Loan B 1st Lien F/R 12-13-2025	United States	Term Loans	USD 69,425	82	87
Calfrac Holdings LP 8.50% 06-15-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 860,000	1,065	511
California Resources Corp. 8.00% 12-15-2022 Callable 2019 144A	United States	Corporate - Non Convertible	USD 610,000	587	405
Can Am Construction Inc./Canada Term Loan B 1st Lien F/R 07-01-2024	Canada	Term Loans	USD 353,282	453	455
Canada Goose Inc. Term Loan 1st Lien F/R 12-02-2024	Canada	Term Loans	USD 111,406	140	147
CareCentrix Inc. Term Loan 1st Lien F/R 03-22-2025	United States	Term Loans	USD 153,758	198	204
CCO Holdings LLC 5.88% 04-01-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 200,000	268	276
CCS-CMGC Holdings Inc. Term Loan 1st Lien F/R 09-25-2025	United States	Term Loans	USD 59,550	76	78
CEVA Logistics Finance BV Term Loan B 1st Lien F/R 08-03-2025	United States	Term Loans	USD 89,775	114	105
Chloe Ox Parent LLC Term Loan 1st Lien F/R 12-19-2024	United States	Term Loans	USD 19,700	25	26
Cincinnati Bell Inc. 7.00% 07-15-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 500,000	595	615
Civitas Solutions Inc. Term Loan 1st Lien F/R 02-05-2026	United States	Term Loans	USD 39812	52	53
Clarity Telecom LLC Term Loan 1st Lien F/R 06-27-2026	United States	Term Loans	USD 70,000	91	93
Commercial Vehicle Group Inc. Term Loan B 1st Lien F/R 03-30-2023	United States	Term Loans	USD 109,201	143	145
CommScope Technologies Finance LLC 8.25% 03-01-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 263,000	353	340
CommScope Technologies LLC 5.00% 03-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 140,000	161	153
Concrete Pumping Merger Sub Inc. Term Loan 1st Lien F/R 11-14-2025	United States	Term Loans	USD 77,497	100	101
Connect Finco SARL Term Loan B 1st Lien F/R 09-23-2026	United Kingdom	Term Loans	USD 100,000	130	131



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LONG PORTFOLIO – BONDS (cont'd)					
Connect Finco SARL 6.75% 10-01-2026	United Kingdom	Corporate - Non Convertible	USD 220,000	292	297
Cook & Boardman Group LLC Term Loan 1st Lien F/R 10-12-2025	United States	Term Loans	USD 89,325	115	118
Crew Energy Inc. 6.50% 03-14-2024 Callable	Canada	Corporate - Non Convertible	140,000	140	118
Crown Subsea Communications Holding Inc. Term Loan 1st Lien F/R 11-02-2025	United States	Term Loans	USD 126,750	163	168
DHX Media Ltd. 5.88% 09-30-2024 Conv.	Canada	Corporate - Convertible	20,000	19	15
Diamond Sports Group LLC 6.63% 08-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 300,000	391	412
DMT Solutions Global Corp. Term Loan 1st Lien F/R 06-25-2024	United States	Term Loans	USD 211,500	273	274
Drive Chassis Holdco LLC. Term Loan 2nd Lien F/R 04-12-2026	United States	Term Loans	USD 40,000	51	50
DynCorp International Inc. Term Loan B 1st Lien F/R 08-15-2025	United States	Term Loans	USD 170,000	220	221
EagleTree-Carbide Acquisition Corp. Term Loan 1st Lien F/R 08-28-2024	United States	Term Loans	USD 156,653	195	205
eG Global Finance PLC 6.75% 02-07-2025 Callable 2021 144A	United Kingdom	Corporate - Non Convertible	USD 330,000	445	428
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 59,051	75	78
EnTrans International LLC Term Loan 1st Lien F/R 10-29-2025	United States	Term Loans	USD 84,938	110	110
Exela Intermediate LLC 10.00% 07-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 790,000	956	587
FAGE International SA/FAGE USA Dairy Industry Inc. 5.63% 08-15-2026 Callable 2021 144A	Luxembourg	Corporate - Non Convertible	USD 405,000	480	482
First Quantum Minerals Ltd. 7.25% 04-01-2023 Callable 2019 144A	Zambia	Corporate - Non Convertible	USD 460,000	584	604
Forming Machining Industries Holdings LLC Term Loan 1st Lien F/R 10-03-2025	United States	Term Loans	USD 79,400	102	100
Fusion Connect Inc. Term Loan 1st Lien F/R 06-03-2019	Netherlands	Term Loans	USD 300	–	–
Fusion Connect Inc. Term Loan B 1st Lien F/R 05-03-2023	United States	Term Loans	USD 41,694	52	30
Fusion Connect Inc. Term Loan DIP 1st Lien F/R 10-03-2019	United States	Term Loans	USD 4,000	5	5
FXI Holdings Inc. 7.88% 11-01-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 375,000	480	438
GEMS MENASA (Cayman) Ltd. Term Loan B 1st Lien F/R 07-30-2026	United Arab Emirates	Term Loans	USD 59,850	78	79
GFL Environmental Inc. 5.63% 05-01-2022 Callable 2019 144A	Canada	Corporate - Non Convertible	USD 46,000	61	62
GFL Environmental Inc. 5.38% 03-01-2023 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 109,000	137	146
GFL Environmental Inc. 7.00% 06-01-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 575,000	718	804
Hadrian Merger Sub Inc. 8.50% 05-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 621,000	791	798
Heritage Power LLC Term Loan B 1st Lien F/R 07-08-2026	United States	Term Loans	USD 120,000	152	156
Horizon Therapeutics PLC 5.50% 08-01-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 200,000	261	277
IDB Development Corp. 4.95% 12-18-2025 Inflation Indexed	Israel	Corporate - Non Convertible	ILS 2,969	1	1
IEA Energy Services LLC Term Loan 1st Lien F/R 09-25-2024	United States	Term Loans	USD 119,588	152	154
Imagine! Print Solutions Inc. Term Loan 1st Lien F/R 06-21-2022	United States	Term Loans	USD 195,726	238	177
INEOS Enterprises Holdings US Finco LLC Term Loan B 1st Lien F/R 07-29-2026	United States	Term Loans	USD 120,000	156	160
Innovative Water Care Global Corp. Term Loan 1st Lien F/R 02-27-2026	United States	Term Loans	USD 109,450	137	133
Intelsat Jackson Holdings SA 8.50% 10-15-2024 Callable 2020 144A	Luxembourg	Corporate - Non Convertible	USD 50,000	66	67
Inter Pipeline Ltd. F/R 03-26-2079 Callable 2029	Canada	Corporate - Non Convertible	650,000	654	679
Intermedia Holdings Inc. Term Loan B 1st Lien F/R 07-13-2025	United States	Term Loans	USD 39,700	52	53
Invesque Inc. 5.00% 01-31-2022 Callable 2021	Canada	Corporate - Convertible	USD 1,600,000	1,970	1,938
iQor US Inc. Term Loan 2nd Lien F/R 04-01-2022	United States	Term Loans	USD 250,000	301	253



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LONG PORTFOLIO – BONDS (cont'd)					
iQor US Inc. Term Loan B 1st Lien F/R 04-01-2021	United States	Term Loans	USD 47,223	52	56
Isagenix International LLC Term Loan 1st Lien F/R 04-26-2025	United States	Term Loans	USD 133,000	170	136
Jane Street Group LLC. Term Loan B 1st Lien F/R 08-25-2022	United States	Term Loans	USD 89,498	119	118
JP Intermediate B LLC Term Loan 1st Lien F/R 10-19-2025	United States	Term Loans	USD 48,125	62	55
Kestra Advisor Services Holdings A Inc. Term Loan 1st Lien F/R 04-29-2026	United States	Term Loans	USD 60,000	80	78
Keyera Corp. F/R 06-13-2079 Callable 2029	Canada	Corporate - Non Convertible	700,000	702	718
Keystone Peer Review Organization Holdings Inc. Term Loan 1st Lien F/R 05-01-2024	United States	Term Loans	USD 58,800	79	76
Kruger Products LP 6.00% 04-24-2025 Callable 2021	Canada	Corporate - Non Convertible	250,000	243	244
LABL Escrow Issuer LLC 10.50% 07-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 565,000	755	762
Lee Enterprises Inc. 9.50% 03-15-2022 Callable 2020 144A	United States	Corporate - Non Convertible	USD 290,000	378	384
LifeMiles Ltd. Term Loan B 1st Lien F/R 08-18-2022	Colombia	Term Loans	USD 147,552	189	188
LifeScan Global Corp. Term Loan 1st Lien F/R 06-19-2024	United States	Term Loans	USD 142,125	181	171
LifeScan Global Corp. Term Loan 2nd Lien F/R 06-19-2025	United States	Term Loans	USD 50,000	62	58
Mallinckrodt International Finance SA 4.88% 04-15-2020 144A	United States	Corporate - Non Convertible	USD 500,000	604	429
Mattel Inc. 5.45% 11-01-2041 Callable 2041	United States	Corporate - Non Convertible	USD 400,000	429	414
Matterhorn Merger Sub LLC 8.50% 06-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 394,000	504	391
MEG Energy Corp. 6.38% 01-30-2023 Callable 144A	Canada	Corporate - Non Convertible	USD 292,000	351	377
MEG Energy Corp. 7.00% 03-31-2024 Callable 2019 144A	Canada	Corporate - Non Convertible	USD 511,000	572	654
Mercer International Inc. 7.38% 01-15-2025 Callable 2021	United States	Corporate - Non Convertible	USD 80,000	106	109
Meredith Corp. 6.88% 02-01-2026 Callable 2021	United States	Corporate - Non Convertible	USD 150,000	192	203
Millar Western Forest Products Ltd. 9.50% 06-20-2023 Callable 2020	Canada	Corporate - Non Convertible	500,000	500	511
Minotaur Acquisition Inc. Term Loan 1st Lien F/R 02-27-2026	United States	Term Loans	USD 99,450	128	128
Multi-Color Corp. Term Loan B 1st Lien F/R 06-17-2026	United States	Term Loans	USD 90,000	119	120
MyNEXUS Inc. Term Loan 1st Lien F/R 06-19-2024	United States	Term Loans	USD 78,000	101	101
Natel Engineering Co. Inc. Term Loan B 1st Lien F/R 04-29-2026	United States	Term Loans	USD 59,850	80	78
Neenah Foundry Co. Term Loan B 1st Lien F/R 12-08-2022	United States	Term Loans	USD 42,354	54	55
New Red Finance Inc. 5.00% 10-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 120,000	147	165
Nine Energy Service Inc. 8.75% 11-01-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 800,000	1,049	859
Nufarm Australia Ltd. 5.75% 04-30-2026 Callable 2021 144A	Australia	Corporate - Non Convertible	USD 600,000	756	785
Numericable-SFR 7.38% 05-01-2026 Callable 2021 144A	France	Corporate - Non Convertible	USD 280,000	361	398
Office Depot Inc. Term Loan B 1st Lien F/R 11-08-2022	United States	Term Loans	USD 68,017	84	91
Owens & Minor Inc. Term Loan B 1st Lien F/R 05-01-2025	United States	Term Loans	USD 108,900	137	128
Panther BF Aggregator 2 LP 8.50% 05-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 340,000	459	457
The Pasha Group Term Loan B 1st Lien F/R 12-13-2022	United States	Term Loans	USD 59,647	74	80
Petroleos De Venezuela SA 6.00% 05-16-2024	Venezuela	Corporate - Non Convertible	USD 170,000	55	25
Pisces Midco Inc. 8.00% 04-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 229,000	291	299
Pluto Acquisition I Inc. Term Loan 1st Lien F/R 06-18-2026	United States	Term Loans	USD 89,775	119	117
Polymer Process Holdings Inc. Term Loan 1st Lien F/R 04-29-2026	United States	Term Loans	USD 99,750	131	130
Premier Dental Services Inc. Term Loan B 1st Lien F/R 06-30-2023	United States	Term Loans	USD 309,088	389	408
PS HoldCo LLC Term Loan 1st Lien F/R 03-02-2025	United States	Term Loans	USD 49,500	64	64
PSC Industrial Outsourcing LP Term Loan 2nd Lien F/R 10-05-2025	United States	Term Loans	USD 50,000	62	64



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LONG PORTFOLIO – BONDS (cont'd)					
Quad/Graphics Inc. 7.00% 05-01-2022	United States	Corporate - Non Convertible	USD 40,000	45	54
Rackspace Hosting Inc. 8.63% 11-15-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 465,000	605	568
Range Resources Corp. 5.00% 08-15-2022	United States	Corporate - Non Convertible	USD 500,000	613	622
Rayonier AM Products Inc. 5.50% 06-01-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 530,000	546	506
Research Now Group Inc. Term Loan 1st Lien F/R 12-20-2024	United States	Term Loans	USD 147,277	180	196
Research Now Group Inc. Term Loan 2nd Lien F/R 12-20-2025	United States	Term Loans	USD 30,000	36	39
Restaurant Technologies Inc. Term Loan 2nd Lien F/R 09-24-2026	United States	Term Loans	USD 750,000	966	994
Rite Aid Corp. 6.13% 04-01-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 670,000	786	706
Rite Aid Corp. 7.70% 02-15-2027	United States	Corporate - Non Convertible	USD 820,000	993	554
Russel Metals Inc. 6.00% 03-16-2026 Callable 2021	Canada	Corporate - Non Convertible	190,000	190	197
Saffron Borrowco LLC Term Loan 1st Lien F/R 06-20-2025	United States	Term Loans	USD 30,000	36	36
Shields Health Solutions Holdings LLC Term Loan 1st Lien F/R 08-13-2026	United States	Term Loans	USD 70,000	92	93
SIRVA Worldwide Inc. Term Loan 1st Lien F/R 07-31-2025	United States	Term Loans	USD 95,181	122	122
Sorenson Communications LLC Term Loan 1st Lien F/R 03-14-2024	United States	Term Loans	USD 48,750	62	65
Source Energy Services Canada LP 10.50% 12-15-2021 Callable 2019 144A	Canada	Corporate - Non Convertible	1,081,000	1,124	789
Springs Window Fashion Holdings Inc. Term Loan 2nd Lien F/R 05-24-2026	United States	Term Loans	USD 500,000	611	629
Star West Generation LLC Term Loan B 1st Lien F/R 03-13-2020	United States	Term Loans	USD 168,211	187	218
Starfruit US Holdco LLC 8.00% 10-01-2026 Callable 2021 144A	Netherlands	Corporate - Non Convertible	USD 30,000	38	40
Stars Group Holdings BV Term Loan B 1st Lien F/R 07-10-2025	Canada	Term Loans	USD 117,232	156	156
Superior Plus LP 7.00% 07-15-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 400,000	530	559
Talen Energy Supply LLC 7.25% 05-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 90,000	115	121
Talen Energy Supply LLC 6.63% 01-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 110,000	144	143
Teneo Holdings LLC Term Loan B 1st Lien F/R 07-12-2025	United States	Term Loans	USD 120,000	150	152
Tenet Healthcare Corp. 6.75% 06-15-2023	United States	Corporate - Non Convertible	USD 555,000	696	773
Tenet Healthcare Corp. 6.25% 02-01-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 190,000	254	262
Teva Pharmaceutical Industries Ltd. 2.80% 07-21-2023	Israel	Corporate - Non Convertible	USD 343,000	392	368
Titan Sub LLC Term Loan B 1st Lien F/R 09-19-2026	United States	Term Loans	USD 70,000	92	93
Travelport Finance Luxembourg Sarl Term Loan 1st Lien F/R 03-18-2026	Luxembourg	Term Loans	USD 190,000	248	228
Trilogy International Partners LLC 8.88% 05-01-2022 Callable 2019 144A	United States	Corporate - Non Convertible	USD 180,000	242	230
TriMark USA LLC Term Loan 1st Lien F/R 09-15-2024	United States	Term Loans	USD 497,462	600	553
Trivium Packaging Finance BV 8.50% 08-15-2026 Callable 2022 144A	Netherlands	Corporate - Non Convertible	USD 250,000	326	359
Trulieve Cannabis Corp. 9.75% 06-18-2024	United States	Corporate - Non Convertible	USD 375,000	488	476
Uber Technologies Inc. 8.00% 11-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 455,000	592	611
Uber Technologies Inc. 7.50% 09-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 150,000	198	198
Ultra Clean Holdings Inc. Term Loan B 1st Lien F/R 08-27-2025	United States	Term Loans	USD 144,571	186	188
Ultra Resources Inc. 7.13% 04-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 800,000	470	87
Unimin Corp. Term Loan 1st Lien F/R 05-21-2025	United States	Term Loans	USD 466,799	536	507
US Renal Care Inc. Term Loan B 1st Lien F/R 06-14-2026	United States	Term Loans	USD 130,000	171	163
US Silica Holdings Inc. Term Loan B 1ST Lien F/R 05-01-2025	United States	Term Loans	USD 499,367	636	628
Vesta Energy Corp. 8.13% 07-24-2023 Callable 2020 144A	Canada	Corporate - Non Convertible	530,000	530	438
VistaJet Malta Finance PLC 10.50% 06-01-2024 Callable 2022 144A	Switzerland	Corporate - Non Convertible	USD 750,000	990	967



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LONG PORTFOLIO – BONDS (cont'd)					
VRX Escrow Corp. 6.13% 04-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 440,000	545	605
Vungle Inc. Term Loan B 1st Lien F/R 09-30-2026	United States	Term Loans	USD 100,000	131	131
VVC Holding Corp. Term Loan B 1st Lien F/R 02-07-2026	United States	Term Loans	USD 169,150	220	224
Vyair Medical Inc. Term Loan B 1st Lien F/R 04-06-2025	United States	Term Loans	USD 49,375	60	60
WellDyneDx Inc. Term Loan 1st Lien F/R 08-16-2022	United States	Term Loans	USD 100,391	125	132
Williams Scotsman International Inc. 7.88% 12-15-2022 Callable 2019 144A	United States	Corporate - Non Convertible	USD 595,000	776	826
Xplornet Communications Inc. 9.63% 06-01-2022 Callable 2019 144A	Canada	Corporate - Non Convertible	USD 447,838	591	606
Yak Access LLC Term Loan B 1st Lien F/R 06-26-2025	United States	Term Loans	USD 136,500	174	167
Yak Access LLC Term Loan B 2nd Lien F/R 06-29-2026	United States	Term Loans	USD 20,000	24	23
Zotec Partners LLC Term Loan 1st Lien F/R 02-09-2024	United States	Term Loans	USD 86,383	108	114
Total bonds				50,091	47,334
EQUITIES					
A.O. Smith Corp.	United States	Industrials	3,307	248	209
Abertis Infraestructuras SA	Spain	Industrials	2,993	68	28
AGNC Investment Corp.	United States	Financials	182,744	4,460	3,892
Alcentra Capital Corp.	United States	Financials	97,748	1,216	1,150
Allegheny Technologies Inc.	United States	Materials	4,990	167	134
Allegion PLC	United States	Industrials	1,836	198	252
Alliance Data Systems Corp.	United States	Information Technology	17,121	4,794	2,904
Alliant Energy Corp.	United States	Utilities	7,736	421	553
American Electric Power Co. Inc.	United States	Utilities	14,551	1,523	1,804
American Homes 4 Rent Class A	United States	Real Estate	30,000	1,021	1,028
Anhui Expressway Co. Ltd.	China	Industrials	486,731	454	360
Annaly Capital Management Inc.	United States	Financials	190,000	2,518	2,213
Apollo Commercial Real Estate Finance Inc.	United States	Financials	89,000	2,155	2,258
Apollo Investment Corp.	United States	Financials	96,334	2,210	2,052
Arbor Realty Trust Inc.	United States	Financials	234,016	2,761	4,061
Ares Capital Corp.	United States	Financials	383,726	8,978	9,465
Ares Commercial Real Estate Corp.	United States	Financials	60,604	1,042	1,222
ARMOUR Residential REIT Inc.	United States	Financials	11,818	282	262
Assured Guaranty Ltd.	United States	Financials	13,766	703	810
AT&T Inc.	United States	Communication Services	47,060	1,917	2,357
BlackRock Kelso Capital Corp.	United States	Financials	207,652	1,770	1,377
Blackstone Mortgage Trust Inc.	United States	Financials	16,577	808	787
C.H. Robinson Worldwide Inc.	United States	Industrials	2,550	315	286
CareTrust REIT Inc.	United States	Real Estate	21,000	664	653
CD Projekt SA	Poland	Communication Services	16,000	1,010	1,286
Chimera Investment Corp.	United States	Financials	31,825	806	824
Cliffs Natural Resources Inc.	United States	Materials	13,892	167	133
CNH Industrial NV	United Kingdom	Industrials	214,742	3,266	2,885
Consolidated Edison Inc.	United States	Utilities	5,659	575	708
Dave & Buster's Entertainment Inc.	United States	Consumer Discretionary	1,000	65	52
DTE Energy Co.	United States	Utilities	3,272	469	576
Dynex Capital Inc.	United States	Financials	25,642	680	502
Eagle Materials Inc.	United States	Materials	20,000	2,279	2,383
Edison International	United States	Utilities	7,327	652	731



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LONG PORTFOLIO – EQUITIES (cont'd)					
Evergy Inc.	United States	Utilities	10,266	832	904
Eversource Energy	United States	Utilities	5,756	457	651
Exantas Capital Corp.	United States	Financials	21,101	293	318
Exelon Corp.	United States	Utilities	17,213	962	1,101
Expeditors International of Washington Inc.	United States	Industrials	3,165	310	311
Ferrovial SA	Spain	Industrials	4,899	144	187
Fidus Investment Corp.	United States	Financials	76,140	1,549	1,495
Fortune Brands Home & Security Inc.	United States	Industrials	2,888	203	209
Foxconn Technology Co. Ltd.	Taiwan	Information Technology	122,000	452	337
Gilead Sciences Inc.	United States	Health Care	4,300	453	361
Goldman Sachs BDC Inc.	United States	Financials	78,965	2,278	2,100
Granite Point Mortgage Trust Inc.	United States	Financials	36,048	878	894
Green Dot Corp. Class A	United States	Financials	5,000	428	167
Hannon Armstrong Sustainable Infrastructure Capital Inc.	United States	Real Estate	22,870	839	882
Healthcare Trust of America Inc.	United States	Real Estate	44,000	1,652	1,711
Herbalife Nutrition Ltd.	United States	Consumer Staples	3,089	217	155
Huntsman Corp.	United States	Materials	30,000	1,218	924
Husky Energy Inc. 4.45% 12-31-2049 Pfd. Series 1	Canada	Energy	36,382	528	401
Husky Energy Inc. Pfd. Series 3	Canada	Energy	9,830	182	164
Iberdrola SA	Spain	Utilities	123,640	1,462	1,701
Instructure Inc.	United States	Information Technology	12,000	758	615
Invesco Mortgage Capital Inc.	United States	Financials	29,376	605	595
J.B. Hunt Transport Services Inc.	United States	Industrials	2,009	316	294
Just Energy Group Inc.	Canada	Utilities	85,124	594	267
Kajima Corp.	Japan	Industrials	34,784	671	604
Klepierre	France	Real Estate	17,864	858	803
L Brands Inc.	United States	Consumer Discretionary	60,000	1,495	1,556
Lennar Corp. Class A	United States	Consumer Discretionary	6,202	408	458
Lennox International Inc.	United States	Industrials	789	218	254
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	35
Masco Corp.	United States	Industrials	5,913	290	326
Medley Capital Corp.	United States	Financials	190,397	1,179	653
MFA Financial Inc.	United States	Financials	81,935	808	798
Monroe Capital Corp.	United States	Financials	50,997	889	712
National Grid PLC	United Kingdom	Utilities	181,375	2,851	2,604
New Residential Investment Corp.	United States	Financials	64,625	1,439	1,341
New York Mortgage Trust Inc.	United States	Financials	55,561	460	448
Norfolk Southern Corp.	United States	Industrials	7,570	1,625	1,800
NorthWestern Corp.	United States	Utilities	6,902	535	686
Nucor Corp.	United States	Materials	5,783	494	390
Oaktree Capital Group LLC	United States	Financials	19,000	1,082	1,232
OGE Energy Corp.	United States	Utilities	3,877	184	233
Old Dominion Freight Line Inc.	United States	Industrials	1,484	298	334
OneMarket Ltd.	Australia	Information Technology	770	1	1
Orchid Island Capital Inc.	United States	Financials	10,109	118	77
Owens Corning Inc.	United States	Industrials	4,586	289	384
Oxford Square Capital Corp.	United States	Financials	83,307	750	687
PennantPark Investment Corp.	United States	Financials	292,473	2,823	2,427



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MACKENZIE DIVERSIFIED ALTERNATIVES FUND

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SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
LONG PORTFOLIO – EQUITIES (cont'd)					
PennyMac Mortgage Investment Trust	United States	Financials	34,065	865	1,002
Pentair PLC	United Kingdom	Industrials	42,704	2,500	2,137
Polymetal International PLC	Russia	Materials	50,000	881	928
Powszechny Zaklad Ubezpieczen SA	Poland	Financials	80,000	1,182	987
PPL Corp.	United States	Utilities	13,740	524	573
PrairieSky Royalty Ltd.	Canada	Energy	36,000	1,071	665
Prospect Capital Corp.	United States	Financials	449,705	4,431	3,923
Public Service Enterprise Group Inc.	United States	Utilities	9,104	618	748
PulteGroup Inc.	United States	Consumer Discretionary	5,696	205	276
Redwood Trust Inc.	United States	Financials	21,166	461	460
Reliance Steel & Aluminum Co.	United States	Materials	1,432	168	189
Santander Bank Polska SA	Poland	Financials	17,000	2,201	1,760
Service Properties Trust	United States	Real Estate	70,000	2,446	2,389
Shaw Communications Inc. Pfd Series A	Canada	Consumer Discretionary	25,100	399	326
Solar Senior Capital Ltd.	United States	Financials	67,234	1,503	1,580
Source Energy Services Ltd.	Canada	Energy	3,094	29	2
Southern Co.	United States	Utilities	20,151	1,219	1,648
Starwood Property Trust Inc.	United States	Financials	103,657	3,042	3,323
Steel Dynamics Inc.	United States	Materials	4,386	273	173
Stericycle Inc.	United States	Industrials	14,000	1,227	944
Sysco Corp.	United States	Consumer Staples	9,266	876	974
TCP Capital Corp.	United States	Financials	58,492	1,168	1,049
Technics Oil & Gas Ltd.	Singapore	Energy	7,762	5	–
Teck Resources Ltd. Class B	Canada	Materials	40,000	1,452	859
Teva Pharmaceutical Industries Ltd. ADR	Israel	Health Care	20,928	987	191
The AES Corp.	United States	Utilities	12,405	218	268
THL Credit Inc.	United States	Financials	135,727	1,489	1,222
TPG Specialty Lending Inc.	United States	Financials	169,846	4,455	4,716
TransAlta Corp. Pfd. Series A	Canada	Utilities	45,209	604	486
Trulieve Cannabis Corp. Warrants Exp.06-18-2022	United States	Health Care	10,500	–	30
Two Harbors Investment Corp.	United States	Financials	43,080	749	749
Union Pacific Corp.	United States	Industrials	7,162	1,419	1,535
United Parcel Service Inc. (UPS) Class B	United States	Industrials	12,904	1,953	2,046
United Utilities Group PLC	United Kingdom	Utilities	63,429	918	853
Universal Health Services Inc. Class B	United States	Health Care	1,723	273	339
Verint Systems Inc.	United States	Information Technology	28,000	1,895	1,585
Verizon Communications Inc.	United States	Communication Services	68,414	5,390	5,466
Vulcan Materials Co.	United States	Materials	2,479	375	496
Warsaw Stock Exchange	Poland	Financials	80,000	1,179	1,061
WEC Energy Group Inc.	United States	Utilities	5,761	496	725
Western Asset Mortgage Capital Corp.	United States	Financials	25,000	331	319
Westshore Terminals Investment Corp.	Canada	Industrials	3,956	101	81
Total equities				140,723	135,679



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SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
OPTIONS					
Options purchased (see schedule of options purchased)				99	44
Total options				99	44
EXCHANGE-TRADED FUNDS/NOTES					
BMO Junior Gold Index ETF	Canada	Exchange-Traded Funds/Notes	100,000	5,135	5,501
iShares Global Infrastructure ETF	United States	Exchange-Traded Funds/Notes	970,000	58,887	59,764
iShares MSCI Brazil ETF	Brazil	Exchange-Traded Funds/Notes	80,000	4,808	4,461
iShares Preferred and Income Securities ETF	United States	Exchange-Traded Funds/Notes	1,110,000	53,762	55,123
Mackenzie Emerging Markets Bond Index ETF (CAD-Hedged)	Canada	Exchange-Traded Funds/Notes	536,500	53,771	52,855
Mackenzie Floating Rate Income ETF	Canada	Exchange-Traded Funds/Notes	1,700,000	36,325	34,662
Mackenzie Maximum Diversification Emerging Markets Index ETF	Canada	Exchange-Traded Funds/Notes	140,000	3,602	3,226
Mackenzie US TIPS Index ETF (CAD-Hedged)	Canada	Exchange-Traded Funds/Notes	80,000	7,878	8,048
SPDR Gold Trust ETF	United States	Exchange-Traded Funds/Notes	180,000	31,290	33,085
SPDR Wells Fargo Preferred Stock ETF	United States	Exchange-Traded Funds/Notes	584,182	32,804	34,144
Vanguard Global ex-U.S. Real Estate ETF	United States	Exchange-Traded Funds/Notes	240,228	18,404	18,629
Vanguard Real Estate ETF	United States	Exchange-Traded Funds/Notes	280,000	33,498	34,558
Total exchange-traded funds/notes				340,164	344,056
MUTUAL FUNDS					
Cortland Credit Institutional LP Unit	Canada	Mutual Funds	3,763,619	37,704	37,703
Mackenzie Gold Bullion Class Series R	Canada	Mutual Funds	781,392	10,502	12,425
Mackenzie Unconstrained Fixed Income Fund Series R	Canada	Mutual Funds	1,447,590	14,599	14,310
Timbercreek Four Quadrant Global Real Estate Partners Class J	Canada	Mutual Funds	1,956,775	22,274	22,592
Total mutual funds				85,079	87,030
Total long portfolio				616,156	614,143



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SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
SHORT PORTFOLIO					
EQUITIES					
Axonics Modulation Technologies Inc.	United States	Health Care	(11,224)	(497)	(400)
Boston Omaha Corp.	United States	Communication Services	(18,056)	(500)	(474)
Canada Goose Holdings Inc.	Canada	Consumer Discretionary	(10,322)	(499)	(601)
Carvana Co.	United States	Consumer Discretionary	(4,736)	(498)	(414)
Crinetics Pharmaceuticals Inc.	United States	Health Care	(23,672)	(493)	(471)
DineEquity Inc.	United States	Consumer Discretionary	(5,187)	(491)	(521)
G1 Therapeutics Inc.	United States	Health Care	(10,221)	(478)	(308)
Gritstone Oncology Inc.	United States	Health Care	(36,008)	(471)	(412)
Inspire Medical Systems Inc.	United States	Health Care	(5,600)	(500)	(452)
Krystal Biotech Inc.	United States	Health Care	(8,653)	(485)	(398)
LendingTree Inc.	United States	Financials	(1,227)	(493)	(504)
Madrigal Pharmaceuticals Inc.	United States	Health Care	(4,074)	(490)	(465)
MongoDB Inc.	United States	Information Technology	(2,498)	(500)	(398)
New Relic Inc.	United States	Information Technology	(6,667)	(495)	(542)
OrthoPediatrics Corp.	United States	Health Care	(11,404)	(487)	(532)
Shake Shack Inc.	United States	Consumer Discretionary	(3,796)	(497)	(493)
Shopify Inc. Class A (USD Currency)	Canada	Information Technology	(975)	(498)	(402)
ShotSpotter Inc.	United States	Information Technology	(13,912)	(499)	(424)
Tabula Rasa HealthCare Inc.	United States	Health Care	(14,000)	(1,036)	(1,018)
Teladoc Inc.	United States	Health Care	(6,662)	(501)	(597)
The Trade Desk Inc. Class A	United States	Information Technology	(1,588)	(499)	(394)
Tucows Inc. Class A	United States	Information Technology	(7,503)	(492)	(538)
Twilio Inc. Class A	United States	Information Technology	(2,854)	(497)	(415)
Wayfair Inc. Class A	United States	Consumer Discretionary	(3,409)	(497)	(506)
Y-mAbs Therapeutics Inc.	United States	Health Care	(14,582)	(496)	(503)
Total equities				(12,889)	(12,182)
Total short portfolio				(12,889)	(12,182)
Transaction costs				(247)	—
Total investments				603,020	601,961
Derivative instruments (see schedule of derivative instruments)					(980)
Cash and cash equivalents					56,993
Other assets less liabilities					12,688
Total net assets					670,662



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MACKENZIE DIVERSIFIED ALTERNATIVES FUND

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SUMMARY OF INVESTMENT PORTFOLIO

September 30, 2019		March 31, 2019	
Effective Portfolio Allocation	% of NAV	Effective Portfolio Allocation	% of NAV
Equities	53.7	Equities	50.7
<i>Equities</i>	53.7	Bonds	32.3
<i>Purchased options</i>	0.0	<i>Bonds</i>	32.3
Bonds	26.8	<i>Purchased options</i>	0.0
<i>Bonds</i>	26.8	<i>Written options</i>	(0.0)
<i>Purchased options</i>	0.0	Cash and short-term investments	7.1
Cash and short-term investments	11.1	Commodities	6.5
Commodities	6.8	Other assets (liabilities)	3.3
Other assets (liabilities)	1.6	Exchange-traded funds/notes	0.1
Effective Regional Allocation	% of NAV	Effective Regional Allocation	% of NAV
United States	50.3	United States	54.4
Canada	18.1	Canada	10.6
Cash and short-term investments	11.1	Other	9.0
Other	7.2	Cash and short-term investments	7.1
United Kingdom	2.2	Commodities	6.5
Other assets (liabilities)	1.6	Other assets (liabilities)	3.3
Australia	1.3	United Kingdom	2.6
Brazil	1.2	Japan	1.3
Hong Kong	1.1	Hong Kong	1.0
Spain	1.0	Netherlands	0.8
Mexico	0.9	France	0.8
Japan	0.9	Australia	0.7
Poland	0.8	Brazil	0.5
France	0.8	Poland	0.5
Italy	0.8	Russia	0.5
China	0.7	Mexico	0.4
Effective Sector Allocation	% of NAV	Effective Sector Allocation	% of NAV
Financials	17.4	Corporate bonds	15.7
Corporate bonds	12.3	Financials	11.5
Real estate	11.3	Industrials	10.5
Cash and short-term investments	11.1	Real estate	8.6
Utilities	8.0	Other	8.1
Term loans	7.1	Term loans	8.1
Foreign government bonds	6.9	Cash and short-term investments	7.1
Commodities	6.8	Commodities	6.5
Industrials	6.1	Federal bonds	6.3
Other	5.0	Utilities	4.9
Energy	2.0	Other assets (liabilities)	3.3
Communication services	2.0	Communication services	3.1
Materials	2.0	Materials	2.4
Other assets (liabilities)	1.6	Health care	2.1
Consumer discretionary	0.4	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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SCHEDULE OF OPTIONS PURCHASED

As at September 30, 2019

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Paid (\$ 000s)	Fair Value (\$ 000s)
Eventbrite Inc.	10	Put	Oct. 18, 2019	USD 15.00	2	–
iShares iBoxx \$ High Yield Corporate Bond ETF	127	Put	Nov. 15, 2019	USD 84.00	30	5
iShares iBoxx \$ High Yield Corporate Bond ETF	64	Put	Nov. 15, 2019	USD 85.00	13	3
iShares iBoxx \$ High Yield Corporate Bond ETF	64	Put	Jan. 17, 2020	USD 85.00	18	8
iShares iBoxx \$ High Yield Corporate Bond ETF	148	Put	Mar. 20, 2020	USD 85.00	36	28
Total options					99	44



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SCHEDULE OF DERIVATIVE INSTRUMENTS

As at September 30, 2019

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)
A	500,000	Russian ruble	(7,582)	U.S. dollar	Oct. 3, 2019	10,036	10,203	167
A	279	Canadian dollar	(210)	U.S. dollar	Oct. 11, 2019	(279)	(278)	1
AA	459	Canadian dollar	(310)	Euro	Oct. 25, 2019	(459)	(448)	11
AA	6,232	Canadian dollar	(4,682)	U.S. dollar	Oct. 25, 2019	(6,232)	(6,200)	32
A	28,099	Canadian dollar	(21,108)	U.S. dollar	Nov. 8, 2019	(28,099)	(27,949)	150
A	2,608	Canadian dollar	(1,959)	U.S. dollar	Nov. 8, 2019	(2,608)	(2,594)	14
AA	30,520	Canadian dollar	(22,990)	U.S. dollar	Nov. 15, 2019	(30,520)	(30,439)	81
A	5,874	Canadian dollar	(4,430)	U.S. dollar	Nov. 15, 2019	(5,874)	(5,865)	9
AA	1,376	Canadian dollar	(1,038)	U.S. dollar	Nov. 15, 2019	(1,376)	(1,375)	1
A	2,305	Canadian dollar	(1,740)	U.S. dollar	Nov. 22, 2019	(2,305)	(2,303)	2
A	6,917	Canadian dollar	(5,210)	U.S. dollar	Dec. 13, 2019	(6,917)	(6,895)	22
AA	1,904	Canadian dollar	(1,435)	U.S. dollar	Dec. 13, 2019	(1,904)	(1,899)	5
A	265	Canadian dollar	(200)	U.S. dollar	Jan. 10, 2020	(265)	(265)	–
Unrealized Gains								495
A	7,702	U.S. dollar	(500,000)	Russian ruble	Oct. 3, 2019	(10,194)	(10,202)	(8)
A	310	Euro	(466)	Canadian dollar	Oct. 4, 2019	466	447	(19)
AA	1,250	Canadian dollar	(960)	U.S. dollar	Oct. 4, 2019	(1,250)	(1,271)	(21)
A	7,708	Canadian dollar	(5,877)	U.S. dollar	Oct. 11, 2019	(7,708)	(7,781)	(73)
A	7,127	Canadian dollar	(5,472)	U.S. dollar	Oct. 11, 2019	(7,127)	(7,244)	(117)
AA	1,249	Canadian dollar	(960)	U.S. dollar	Oct. 25, 2019	(1,249)	(1,271)	(22)
A	2,072	Canadian dollar	(1,575)	U.S. dollar	Nov. 1, 2019	(2,072)	(2,086)	(14)
A	89,911	Canadian dollar	(68,350)	U.S. dollar	Nov. 8, 2019	(89,911)	(90,504)	(593)
A	89,894	Canadian dollar	(68,350)	U.S. dollar	Nov. 8, 2019	(89,894)	(90,502)	(608)
Unrealized (Losses)								(1,475)
Total forward currency contracts								(980)
Total derivative instruments at fair value								(980)



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NOTES TO FINANCIAL STATEMENTS

1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the six-month periods ended or as at September 30, 2019 and 2018, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 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 Financial Corporation, which itself is a subsidiary of Power Corporation of Canada. The Great-West Life Assurance Company, London Life Insurance Company and The Canada Life Assurance Company (collectively, the "Related Insurance Companies") are wholly owned by Great-West Lifeco Inc., which is also a subsidiary of Power Financial Corporation. The Related Insurance Companies are moving to formally amalgamate into one company, The Canada Life Assurance Company, effective January 1, 2020. This amalgamation is subject to a policyholder vote and other regulatory approvals. 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 unaudited interim financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including international Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). These financial statements were prepared using the same accounting policies, critical accounting judgements and estimates as applied in the Fund's most recent audited annual financial statements for the year ended March 31, 2019. 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 November 12, 2019.

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 and 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.

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(a) Financial instruments (cont'd)

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 fund 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.

(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 September 30, 2019.

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(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.

(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.

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

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

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

(k) Mergers

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.

Use of Estimates

Fair value of securities not quoted in an active market

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

Use of Judgments

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

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

Functional currency

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

Structured entities and associates

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

5. Income Taxes

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains in the taxation year, which is not paid or payable to its securityholders as at the end of the taxation year. 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.



NOTES TO FINANCIAL STATEMENTS

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 September 30, 2019 and 2018 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 September 30, 2019, grouped by asset type, with geographic and sector information.

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

ii. Liquidity risk

Liquidity risk arises when the Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable securities. In 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.

NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

iv. Interest rate risk

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

v. Other price risk

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

vi. Credit risk

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

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

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

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

vii. Underlying funds

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

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

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NOTES TO FINANCIAL STATEMENTS

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

(a) Fund Formation and Series Information

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

Series UM securities are offered exclusively to National Bank Financial Inc.

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 (\$)	
				Sep. 30, 2019	Mar. 31, 2019
Series A	October 26, 2015	1.85%	0.21%	10.66	10.70
Series AR	October 26, 2015	1.85%	0.24%	10.82	10.86
Series D	October 26, 2015	1.10%	0.16%	10.67	10.71
Series F	October 26, 2015	0.70% ⁽³⁾	0.15% ⁽⁶⁾	10.73	10.76
Series F5	October 26, 2015	0.70% ⁽³⁾	0.15% ⁽⁶⁾	14.50	14.66
Series F8	October 24, 2018	0.70%	0.15%	14.99	15.36
Series FB	October 26, 2015	0.85%	0.21%	10.51	10.54
Series FB5	October 26, 2015	0.85%	0.21%	14.36	14.53
Series O	October 26, 2015	— ⁽¹⁾	— *	10.63	10.66
Series PW	October 26, 2015	1.70% ⁽⁴⁾	0.15%	10.81	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%	9.94	9.97
Series PWFB5	April 3, 2017	0.70% ⁽⁵⁾	0.15%	14.12	14.25
Series PWR	April 1, 2019	1.70%	0.15%	9.95	—
Series PWT5	October 26, 2015	1.70% ⁽⁴⁾	0.15%	14.08	14.31
Series PWT8	October 24, 2018	1.70%	0.15%	14.83	15.31
Series PWX	October 26, 2015	— ⁽²⁾	— ⁽²⁾	10.68	10.71
Series PWX5	October 26, 2015	— ⁽²⁾	— ⁽²⁾	14.96	15.05
Series PWX8	October 24, 2018	— ⁽²⁾	— ⁽²⁾	15.09	15.40
Series S	October 2, 2017	— ⁽¹⁾	0.025%	9.95	9.98
Series T5	October 26, 2015	1.85%	0.21%	13.96	14.20
Series T8	October 24, 2018	1.85%	0.21%	14.80	15.29
Series UM	October 16, 2017	0.50%	0.15%	9.90	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.

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

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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 September 30, 2019, Mackenzie and Related Insurance Companies had an investment of \$17 and \$2,717 (March 31, 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 \$53,164 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 September 30, 2019 and March 31, 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:

	(\$)
September 30, 2019	145
September 30, 2018	76

(f) Dividend income

Included in dividend income for the period ended September 30, 2019 are dividends paid on securities sold short of \$5 (March 31, 2019 – \$114).

(g) Unfunded Credit Agreements

The Fund has entered into credit agreements whereby the Fund commits to fund a participation in a senior unsecured credit facility ("Commitment Amount") during an agreed upon period of time ("Commitment Period"). In exchange for providing this potential funding the Fund is entitled to receive a commitment fee ("Commitment Fee") from the issuer equal to a certain percentage of the Commitment Amount at the end of the Commitment Period. The funding requirement and the Commitment Fee are both contingent on whether or not the issuer of the credit agreement completes a contemplated transaction by the end of the Commitment Period. As at September 30, 2019, none of the Commitment Amounts was funded (March 31, 2019 – \$Nil). The unfunded Commitment Amounts, the Commitment Fee rates and Commitment Period end date are listed below.

	Total Unfunded Commitment Amount (US\$)	Total Number of Commitments	Range of Unfunded Commitment Amounts (US\$)	Range of Commitment Fee Rates (%)	Range of Commitment Period End Date
September 30, 2019	1,180	1	1,180	1.000	March 4, 2020
March 31, 2019	–	–	–	–	–

(h) Investments Pledged as Collateral

As at September 30, 2019, \$60 of cash has been pledged as collateral against forward currency contracts.

As at March 31, 2019, \$23,367 of cash was pledged as collateral against written options.

(i) 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.

	September 30, 2019			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	164	(159)	–	5
Unrealized losses on derivative contracts	(651)	159	–	(492)
Liability for options written	–	–	–	–
Total	(487)	–	–	(487)



MACKENZIE
Investments

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

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NOTES TO FINANCIAL STATEMENTS

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

(i) Offsetting of Financial Assets and Liabilities (cont'd)

	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)

(j) Risks Associated with Financial Instruments

i. Risk exposure and management

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

ii. Currency risk

The 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.

	September 30, 2019			
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	390,113	53,529	(286,722)	156,920
Polish zloty	5,094	128	–	5,222
British pound	4,385	157	–	4,542
Euro	2,719	–	(1)	2,718
Japanese yen	604	11	–	615
Mexican peso	–	591	–	591
Hong Kong dollar	360	12	–	372
Taiwanese dollar	337	13	–	350
Norwegian krone	–	9	–	9
Israeli shekel	1	–	–	1
Russian ruble	–	–	1	1
Australian dollar	1	(2)	–	(1)
Total	403,614	54,448	(286,722)	171,340
% of Net Assets	60.2	8.1	(42.8)	25.5



MACKENZIE
Investments

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

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NOTES TO FINANCIAL STATEMENTS

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

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

ii. Currency risk (cont'd)

Currency	March 31, 2019			Net Exposure*
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	
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

As at September 30, 2019, 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 \$10,076 or 1.5% of total net assets (March 31, 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.

Bonds	September 30, 2019	March 31, 2019
	(\$)	(\$)
Less than 1 year	652	343
1-5 years	20,790	21,215
5-10 years	24,082	33,434
Greater than 10 years	1,810	571
Total	47,334	55,563

As at September 30, 2019, 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 \$6,072 or 0.9% (March 31, 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 \$6,106 or 0.9% (March 31, 2019 – \$5,909 or 0.9%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

ALTERNATIVE FUND

NOTES TO FINANCIAL STATEMENTS

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

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

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 September 30, 2019, 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 \$33,132 or 4.9% of total net assets (March 31, 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 \$33,131 or 4.9% of total net assets (March 31, 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 September 30, 2019, was 0.3% of the net assets of the Fund (March 31, 2019 – 0.3%).

As at September 30, 2019 and March 31, 2019, debt securities by credit rating are as follows:

Bond Rating*	September 30, 2019	March 31, 2019
	% of Net Assets	% of Net Assets
AAA	–	–
AA	–	–
A	–	0.3
BBB	0.1	0.1
Less than BBB	6.5	8.2
Unrated	0.5	0.3
Total	7.1	8.9

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

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

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ALTERNATIVE FUND

NOTES TO FINANCIAL STATEMENTS

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

(k) 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.

	September 30, 2019				March 31, 2019			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	2,415	44,919	–	47,334	2,049	53,514	–	55,563
Equities – Long	134,419	1,260	–	135,679	202,092	–	–	202,092
Equities – Short	(12,182)	–	–	(12,182)	–	–	–	–
Options	–	44	–	44	45	–	–	45
Exchange-traded funds/notes	344,056	–	–	344,056	233,553	–	–	233,553
Mutual funds	26,735	60,295	–	87,030	25,510	58,882	–	84,392
Derivative assets	–	495	–	495	–	162	–	162
Derivative liabilities	–	(1,475)	–	(1,475)	–	(1,634)	–	(1,634)
Short-term investments	–	30,234	–	30,234	–	16,549	–	16,549
Total	495,443	135,772	–	631,215	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 September 30, 2019, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at September 30, 2019, these securities were classified as Level 1 (March 31, 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 September 30, 2019, equity positions with a fair value of \$1,232 (March 31, 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.

(l) Comparative Amounts

Certain prior period comparative amounts have been reclassified to conform to the current period's presentation.



MACKENZIE
Investments