

Annual Management Report of Fund Performance

For the Year Ended March 31, 2020

This Annual Management Report of Fund Performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You may obtain a copy of the annual financial statements, 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.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's interim financial report, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure. For more information, please refer to the Fund's Simplified Prospectus, Annual Information Form and Fund Facts, which may also be obtained, at no cost, using any of the methods outlined above.

For the Fund's current net asset values per security and for more recent information on general market events, please visit our website.

A NOTE ON FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements that reflect our current expectations or forecasts of future events. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", "preliminary", "typical" and other similar expressions. In addition, these statements may relate to future corporate actions, future financial performance of a fund or a security and their future investment strategies and prospects. Forward-looking statements are inherently subject to, among other things, risks, uncertainties and assumptions that could cause actual events, results, performance or prospects to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, the volatility of global equity and capital markets, business competition, technological change, changes in government regulations, changes in securities laws and regulations, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events and the ability of Mackenzie to attract or retain key employees. The foregoing list of important risks, uncertainties and assumptions is not exhaustive. Please consider these and other factors carefully and do not place undue reliance on forward-looking statements.

The forward-looking information contained in this report is current only as of the date of this report. There should not be an expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.



MACKENZIE CREDIT ABSOLUTE RETURN FUND

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2020

ALTERNATIVE FUND

Management Discussion of Fund Performance

July 13, 2020

This Management Discussion of Fund Performance presents the portfolio management team's view on the significant factors and developments during the year ended March 31, 2020 (the "period"), that have affected the Fund's performance and outlook. If the Fund was established during the period, "period" represents the period from inception to the end of the fiscal period. For information on the Fund's longer-term performance, as applicable, please refer to the *Past Performance* section of the report. In this report, "Mackenzie" refers to Mackenzie Financial Corporation, the manager of the Fund. In addition, net asset value ("NAV") refers to the value of the Fund as calculated for transaction purposes, on which the discussion of Fund performance is based.

Investment Objective and Strategies

The Fund seeks a positive total return over a market cycle, regardless of general market direction, by employing a variety of fundamentally driven and systematically driven investment strategies. The Fund will invest in long and short positions in fixed income securities and instruments of corporate and government issuers anywhere in the world. The Fund may also engage in physical short sales, borrowing and/or derivatives.

The Fund's aggregate exposure to its sources of leverage is calculated as the sum of the following sources of leverage, and must not exceed 300% of its net asset value: (i) the aggregate market value of securities sold short; (ii) the value of indebtedness under any borrowing arrangements for investment purposes; and (iii) the aggregate notional value of the Fund's specified derivatives positions, excluding any specified derivatives used for hedging purposes.

Risk

The risks of the Fund remain as discussed in the Fund's Simplified Prospectus.

The Fund is suitable for medium- to long-term investors looking for a credit absolute return alternative mutual fund to hold as part of their portfolio, who can handle the volatility of bond markets and who have a low to medium tolerance for risk.

Results of Operations

Investment Performance

The performance of the Fund's Series A securities is discussed below. The performance of all series is shown in the *Past Performance* section of the report. Where series returns differ, it is primarily because different levels of fees and expenses were charged to each series, or because securities of a series were not issued and outstanding for the entire reporting period. Please refer to the *Fund Formation and Series Information* section of this report for the varying management and administration fees payable by each series.

During the period, the Fund's Series A securities returned -0.6% (after deducting fees and expenses paid by the series). This compares with the FTSE Canada 91-Day T-Bill Index return of 1.9%. All index and series

returns are calculated on a total return basis in Canadian dollar terms. Investors cannot invest in an index without incurring fees, expenses and commissions, which are not reflected in the index returns.

Prices of global government bonds, particularly long-term bonds, rose as yields declined over the period. Investment grade corporate bond prices made smaller gains. Many global central banks reduced key interest rates, first in response to global trade tensions, then in response to the COVID-19 crisis. Yields on 10-year and 30-year U.S. Treasury bonds and Government of Canada bonds fell to record lows. Yields in Europe and Japan, which were already negative, fell further.

High-yield bond prices declined as the pandemic sent global markets into turmoil. Oil prices fell after Russia and the Organization of the Petroleum Exporting Countries failed to agree to cut production. High-yield spreads (the difference in yield between government bonds and high-yield bonds of similar maturity) widened significantly. Term loans largely underperformed high-yield bonds in response to lower interest rates. Loan credit spreads (the margin by which the interest rate, which fluctuates according to a loan's market price, exceeds the floating reference rate) widened significantly.

The Fund underperformed the index, with duration hedging detracting from performance as interest rates fell.

Conversely, the Fund's long positions in investment grade bonds and government bonds contributed to performance. Long and short total return swaps, which exchange payments based on the returns of underlying fixed income exchange-traded funds for payments at a set rate, also contributed.

The Fund actively manages its foreign currency exposure, which detracted from performance primarily as the Japanese yen appreciated relative to the Canadian dollar.

Over the period, portfolio activity led to increased net exposure to the United States, Australia and Japan, while net exposure to Canada decreased. At the sector level, net exposure to foreign government bonds increased, while net exposure to corporate bonds decreased.

Leverage

Leverage occurs when the Fund borrows money or securities, or uses derivatives, to generate investment exposure that would otherwise not be possible. The Fund's aggregate exposure to its sources of leverage is calculated as the sum of the following: (i) the market value of short holdings; (ii) the amount of cash borrowed for investment purposes; and (iii) the notional value of the Fund's derivatives positions, excluding any derivatives used for hedging purposes.

The leverage of the Fund results from the combined impact of each of its strategies: leveraged investment grade credit, long/short credit and credit momentum. The leveraged investment grade credit strategy uses leverage to increase exposure when the portfolio management team sees positive credit fundamentals, attractive valuations and acceptable market risk sentiment. The long/short credit strategy takes short positions in corporate bonds based on company-specific factors and general credit risk sentiment. The credit momentum strategy uses primarily derivatives such as swaps and futures to implement Mackenzie's proprietary quantitative investment models.



MACKENZIE
Investments

MACKENZIE CREDIT ABSOLUTE RETURN FUND

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2020

ALTERNATIVE FUND

During the period, the Fund's aggregate exposure to sources of leverage ranged from 29.0% to 59.8% of the Fund's NAV. The primary sources of leverage were physical short positions in fixed income securities, forward currency contracts and swaps. The high end of the range was reached in May 2019, and the low end of the range occurred at period-end, when exposures across the portfolio were generally reduced in order to manage the Fund's expected volatility. The temporary rise in the Fund's leverage in May was attributable to the decision to tactically invest in U.S. dollar put options, based on the portfolio management team's expectation of weakness in the U.S. dollar given the U.S. Federal Reserve's stance toward interest rates. Including the notional value of derivatives used for hedging, the low and high amounts of leverage ranged from 41.4% to 108.4%.

Net Assets

The Fund's NAV increased by 144.8% to \$118.9 million at March 31, 2020, from \$48.6 million at March 31, 2019. This change was composed primarily of \$1.3 million in net losses (after including interest income) from investment performance, after deducting fees and expenses, and \$71.6 million in net sales.

See *Other Related Party Transactions* for the percentage of the Fund's NAV owned by related parties. As a result of these investments, the Fund is subject to large transaction risk as discussed in the Prospectus. Mackenzie manages this risk to reduce the possibility of any adverse effect on the Fund or on its investors.

Fees and Expenses

The management expense ratio ("MER") for Series A of 1.89% during the year ended March 31, 2020, was lower than the annualized MER of 1.99% for the period ended March 31, 2019. The MERs (before and after waivers or absorptions, if any) for all series are presented in the *Financial Highlights* section of this report. The MER for Series A decreased due to a decrease in fund costs. The MERs for Series F, Series FB, Series PW and Series PWFB increased due to an increase in fund costs.

Recent Developments

Governments worldwide have enacted emergency measures to combat the spread of the COVID-19 virus in the last several months. These measures have caused significant volatility and weakness in global equity markets and material disruption to businesses globally, resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

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

The portfolio management team believes there are opportunities in an environment of lower yields. Specifically, the team believes short-term bonds could outperform as market demand for long-term bonds may result in more valuation risk. With the re-pricing in corporate bond markets, the team believes the risk-reward outlook for corporate bonds is becoming more attractive, particularly for short-term bonds, and is therefore considering increasing exposure to selected high-quality, shorter-term corporate bonds.

In terms of the high-yield market, the team remains concerned about the uncertain timeframe and ultimate impact of the COVID-19 pandemic. The team therefore plans to maintain a defensive tilt within the portfolio, with a higher overall credit rating than the broader high-yield market.

In the team's view, prices for term loans could continue to fall if the steep decline in U.S. and global economic activity persists. The team believes this presents a buying opportunity over the long term, notwithstanding short-term volatility.

Related Party Transactions

The following arrangements result in fees paid by the Fund to Mackenzie or to companies affiliated with the Fund.

Management and Administration Services

For each applicable series, the Fund paid management fees and administration fees to Mackenzie at the annual rates specified under *Fund Formation and Series Information* in this report and as more fully described in the Prospectus. In return for the administration fees, Mackenzie pays all costs and expenses (other than certain specified fund costs) required to operate the Fund that are not included in management fees. See also *Management Fees*.

Other Related Party Transactions

Investment funds managed by Mackenzie invest in Series R securities of the Fund on a prospectus-exempt basis in accordance with the investment objectives of those funds. At March 31, 2020, funds managed by Mackenzie owned 98.5% of the Fund's NAV. All related party transactions are based on the NAV per security on each transaction day.

At March 31, 2020, Mackenzie had an investment of \$7,098 in the Fund (less than 0.1% of the Fund's NAV).

The Fund did not rely on an approval, positive recommendation or standing instruction from the Mackenzie Funds' Independent Review Committee with respect to any related party transactions.



MACKENZIE
Investments

MACKENZIE CREDIT ABSOLUTE RETURN FUND

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2020

ALTERNATIVE FUND

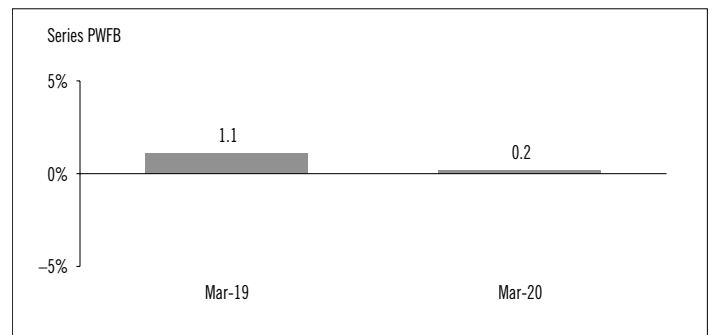
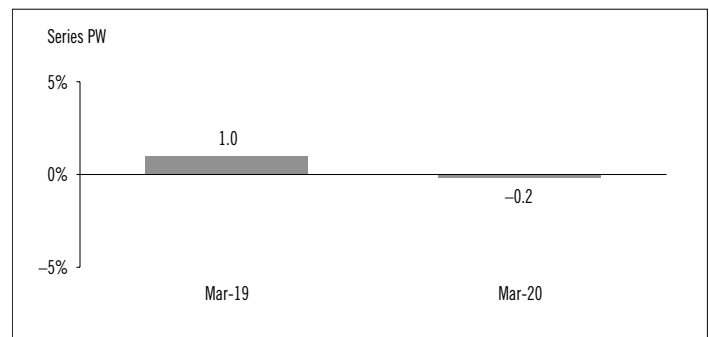
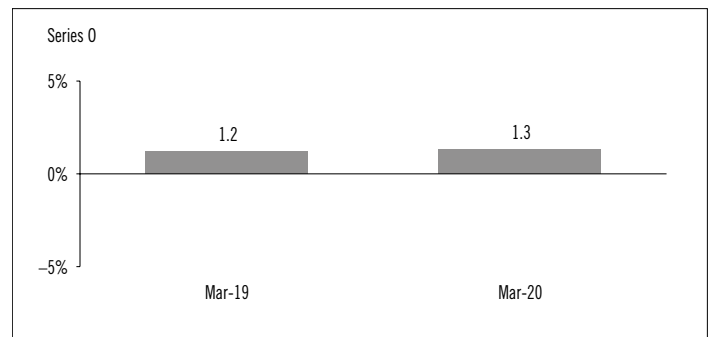
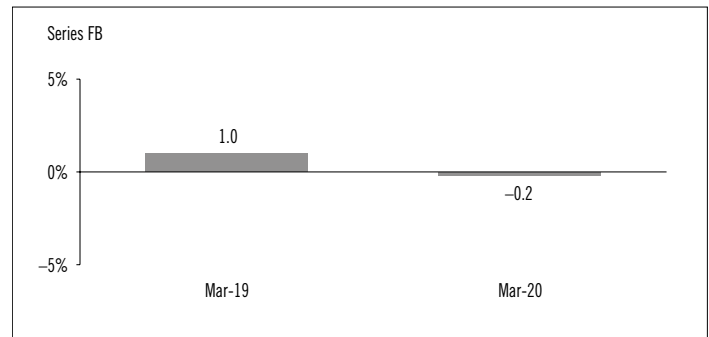
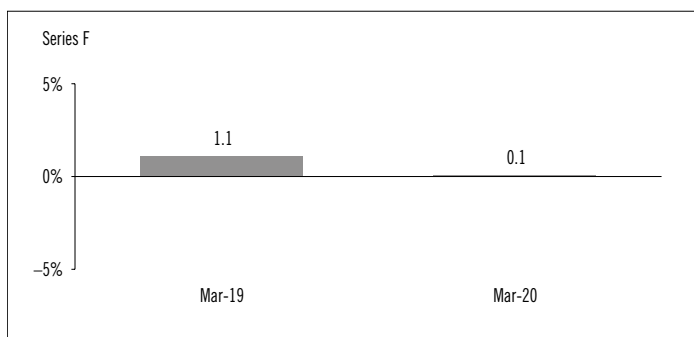
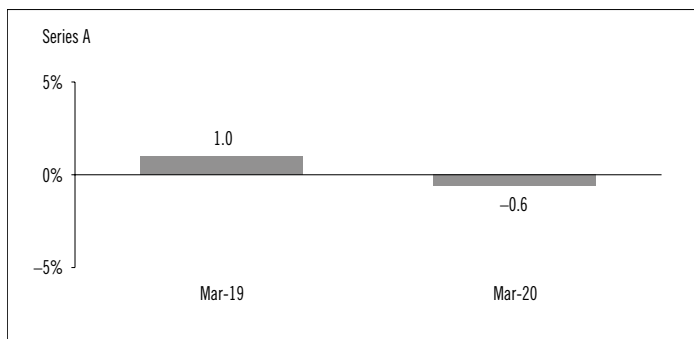
Past Performance

The Fund's past performance information is presented in the following charts and table. It assumes all distributions made by the Fund in the periods presented are reinvested in additional securities of the relevant series of the Fund. The charts and table do not take into account sales, redemption, distribution or optional charges, or income taxes payable by any investor that would have reduced returns. The past performance of the Fund is not necessarily an indication of how it will perform in the future.

If you hold this Fund outside of a registered plan, income and capital gains distributions paid to you increase your income for tax purposes whether paid to you in cash or reinvested in additional securities of the Fund. The amount of reinvested taxable distributions is added to the adjusted cost base of the securities that you own. This would decrease your capital gain or increase your capital loss when you later redeem from the Fund, thereby ensuring that you are not taxed on this amount again. Please consult your tax advisor regarding your personal tax situation.

Year-by-Year Returns

The following bar charts present the performance of each series of the Fund for each of the fiscal periods shown. The charts show, in percentage terms, how much an investment made on the first day of each fiscal period, or on the series inception or reinstatement date, as applicable, would have increased or decreased by the last day of the fiscal period presented. Series inception or reinstatement dates can be found under *Fund Formation and Series Information*.

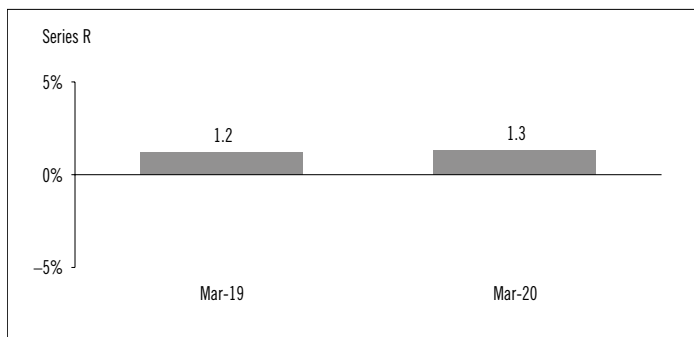
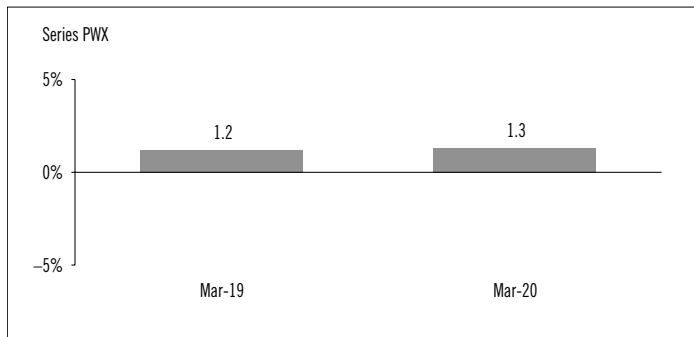


MACKENZIE
Investments

MACKENZIE CREDIT ABSOLUTE RETURN FUND

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2020

ALTERNATIVE FUND



Annual Compound Returns

The following table compares the historical annual compound total returns for each series of the Fund with the relevant index or indices shown below for each of the periods ended March 31, 2020. Investors cannot invest in an index without incurring fees, expenses and commissions, which are not reflected in these performance figures.

All index returns are calculated in Canadian dollars on a total return basis, meaning that all dividend payments, interest income accruals and interest payments are reinvested.

Percentage Return: ¹	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception ²
Series A	-0.6	n/a	n/a	n/a	0.4
Series F	0.1	n/a	n/a	n/a	1.0
Series FB	-0.2	n/a	n/a	n/a	0.8
Series O	1.3	n/a	n/a	n/a	2.3
Series PW	-0.2	n/a	n/a	n/a	0.8
Series PWFB	0.2	n/a	n/a	n/a	1.2
Series PWX	1.3	n/a	n/a	n/a	2.3
Series R	1.3	n/a	n/a	n/a	2.3
FTSE Canada 91-Day T-Bill Index	1.9	n/a	n/a	n/a	Note 3

The FTSE Canada 91-Day T-Bill Index is an index of Government of Canada treasury bills with maturities of less than 91 days.

- (1) The percentage return differs for each series because the management fee rate and expenses differ for each series.
- (2) The return since inception for each series will differ when the inception date differs and is only provided when a series has been active for a period of less than 10 years.
- (3) The return of the FTSE Canada 91-Day T-Bill Index since inception for each series is 1.9%.



MACKENZIE
Investments

MACKENZIE CREDIT ABSOLUTE RETURN FUND

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2020

ALTERNATIVE FUND

Summary of Investment Portfolio at March 31, 2020

Portfolio Allocation

	% of NAV		
	Long	Short	Net
Bonds	114.8	(6.9)	107.9
Bonds	84.0	(4.4)	79.6
Futures*	30.8	(2.5)	28.3
Cash and short-term investments	—	—	—
Other assets (liabilities)	(10.4)	2.5	(7.9)

Regional Allocation

	% of NAV		
	Long	Short	Net
Canada	67.9	(0.9)	67.0
United States	29.4	(3.4)	26.0
Australia	6.8	(0.4)	6.4
Japan	5.8	—	5.8
France	2.2	—	2.2
Belgium	1.6	—	1.6
Luxembourg	0.4	—	0.4
Zambia	0.2	—	0.2
United Kingdom	0.5	(0.4)	0.1
Cash and short-term investments	—	—	—
Cayman Islands	—	(0.2)	(0.2)
Italy	—	(0.7)	(0.7)
Germany	—	(0.9)	(0.9)
Other assets (liabilities)	(10.4)	2.5	(7.9)

Sector Allocation

	% of NAV		
	Long	Short	Net
Corporate bonds	80.4	(4.4)	76.0
Foreign government bonds	30.9	(1.6)	29.3
Federal bonds	3.5	(0.9)	2.6
Cash and short-term investments	—	—	—
Other assets (liabilities)	(10.4)	2.5	(7.9)

Net Currency Exposure

	% of NAV
Canadian dollar	101.2
Euro	0.7
Swiss franc	0.7
Taiwanese dollar	0.5
Other	0.5
Indian rupee	0.4
Norwegian krone	(0.9)
U.S. dollar	(3.1)

Bonds by Credit Rating**

	% of NAV
AAA	3.5
AA	1.9
A	26.8
BBB	34.8
Less than BBB	(2.7)
Unrated	15.3

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

Remaining notes follow the Summary of Investment Portfolio.



MACKENZIE
Investments

MACKENZIE CREDIT ABSOLUTE RETURN FUND

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2020

ALTERNATIVE FUND

Summary of Investment Portfolio at March 31, 2020 (cont'd)

Top 25 Long Positions

Issuer	% of NAV
Cash and short-term investments	18.6
BPCE SA 0.44% 12-11-2020	2.2
Hydro One Inc. 2.57% 06-25-2021	2.1
EPCOR Utilities Inc. 1.95% 07-08-2022	2.1
PSP Capital Inc. 3.29% 04-04-2024	2.1
Enbridge Gas Distribution Inc. 4.04% 11-23-2020	2.1
AltaLink LP 2.98% 11-28-2022	2.1
OMERS Realty Corp. 3.358% 06-05-2023	2.1
Ivanhoe Cambridge II Inc. 2.30% 12-12-2024 Callable 2024	2.0
Fédération des Caisses Desjardins du Québec 2.42% 10-04-2024	2.0
ENMAX Corp. 2.92% 10-18-2022	1.7
Canadian National Railway Co. 2.75% 02-18-2021 Callable 2021	1.7
Bruce Power LP 2.84% 06-23-2021	1.6
Metro Inc. 3.20% 12-01-2021 Callable 2021	1.6
Bell Canada Inc. 2.00% 10-01-2021	1.6
Inter Pipeline Ltd. 4.967% 02-02-2021 Callable	1.6
Algonquin Power & Utilities Corp. 4.65% 02-15-2022	1.6
Ventas Inc. 2.80% 04-12-2024 Callable 2024	1.6
TransCanada PipeLines Ltd. 3.65% 11-15-2021	1.6
Shaw Communications Inc. 4.35% 01-31-2024 Callable	1.6
McDonald's Corp. 3.13% 03-04-2025 Callable 2025	1.6
Choice Properties LP 3.60% 09-20-2022 Callable	1.6
Manulife Bank of Canada 2.38% 11-19-2024	1.6
Anheuser-Busch InBev Finance Inc. 2.60% 05-15-2024 Callable 2024	1.6
Bank of America Corp. F/R 09-20-2025 Callable 2024	1.6

Top long positions as a percentage of total net asset value

61.6

Top 25 Short Positions

Issuer	% of NAV
Energizer Holdings Inc. 6.38% 07-15-2026 Callable 2021	(0.5)
FMG Resources (August 2006) Pty. Ltd. 5.13% 05-15-2024 Callable 2024	(0.4)
Motion MidCo Ltd. 6.63% 11-15-2027 Callable 2022	(0.4)
Tesla Inc. 2.38% 03-15-2022	(0.3)
American Axle & Manufacturing Inc. 6.50% 04-01-2027 Callable 2022	(0.3)
Diebold Inc. 8.50% 04-15-2024 Series WI	(0.3)
Freeport-McMoRan Inc. 4.25% 03-01-2030 Callable 2025	(0.3)
Credit Acceptance Corp. 6.63% 03-15-2026 Callable 2022	(0.2)
Freeport-McMoRan Inc. 4.55% 11-14-2024 Callable 2024	(0.2)
Wynn Macau Ltd. 5.13% 12-15-2029 Callable 2024	(0.2)
Seagate Hdd Cayman 4.75% 01-01-2025	(0.2)
Tronox Inc. 6.50% 04-15-2026 Callable 2021	(0.2)
Springleaf Finance Corp. 6.88% 03-15-2025	(0.2)
American Express Co. 4.05% 12-03-2042	(0.1)
Staples Inc. 7.50% 04-15-2026 Callable 2022	(0.1)
American Airlines Group Inc. 3.75% 03-01-2025	(0.1)
Penn National Gaming Inc. 5.63% 01-15-2027 Callable 2022	(0.1)
Spirit AeroSystems Holdings Inc. 4.60% 06-15-2028	(0.1)
Chobani LLC 7.50% 04-15-2025 Callable 2020	(0.1)
Carvana Co. 8.88% 10-01-2023	(0.1)
Canadian 10-Year Bond Futures*	(0.0)
Invesco Senior Loan ETF	(0.0)
Euro BTP Futures*	0.0
Euro-Bund Futures*	0.0

Top short positions as a percentage of total net asset value

(4.4)

* Notional principal values represent 11.4% of NAV for U.S. 5-Year Note Futures, 0.8% of NAV for Mini 10-Year Japanese Government Bond Futures, 5.4% of NAV for 10-Year Commonwealth Treasury Bond Futures, 8.2% of NAV for U.S. Treasury Note 10-Year Futures, 5.0% of NAV for Japan 10-Year Government Bond Futures, -0.9% of NAV for Canadian 10-Year Bond Futures, -0.7% of NAV for Euro BTP Futures and -0.9% of NAV for Euro-Bund Futures.

The investments and percentages may have changed since March 31, 2020, due to the ongoing portfolio transactions of the Fund. Quarterly updates of holdings are available within 60 days of the end of each quarter except for March 31, the Fund's fiscal year-end, when they are available within 90 days.



MACKENZIE
Investments

MACKENZIE CREDIT ABSOLUTE RETURN FUND

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2020

ALTERNATIVE FUND

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for each of the fiscal periods presented below. If during the period a fund or series was established or reinstated, "period" represents the period from inception or reinstatement to the end of that fiscal period. Series inception or reinstatement dates can be found under *Fund Formation and Series Information*.

THE FUND'S NET ASSETS PER SECURITY (\$)¹

Series A	Mar. 31 2020	Mar. 31 2019
Net assets, beginning of period	10.10	10.00
Increase (decrease) from operations:		
Total revenue	0.29	0.45
Total expenses	(0.20)	(0.02)
Realized gains (losses) for the period	0.26	(2.35)
Unrealized gains (losses) for the period	(0.55)	2.01
Total increase (decrease) from operations²	(0.20)	0.09
Distributions:		
From net investment income (excluding dividends)	(0.37)	–
From dividends	–	–
From capital gains	–	–
Return of capital	–	–
Total annual distributions³	(0.37)	–
Net assets, end of period	9.67	10.10

Series F	Mar. 31 2020	Mar. 31 2019
Net assets, beginning of period	10.11	10.00
Increase (decrease) from operations:		
Total revenue	0.27	0.02
Total expenses	(0.13)	(0.01)
Realized gains (losses) for the period	0.08	0.01
Unrealized gains (losses) for the period	(0.52)	0.09
Total increase (decrease) from operations²	(0.30)	0.11
Distributions:		
From net investment income (excluding dividends)	(0.39)	–
From dividends	–	–
From capital gains	–	–
Return of capital	–	–
Total annual distributions³	(0.39)	–
Net assets, end of period	9.73	10.11

Series FB	Mar. 31 2020	Mar. 31 2019
Net assets, beginning of period	10.10	10.00
Increase (decrease) from operations:		
Total revenue	0.31	0.02
Total expenses	(0.15)	(0.01)
Realized gains (losses) for the period	0.52	–
Unrealized gains (losses) for the period	(0.59)	0.09
Total increase (decrease) from operations²	0.09	0.10
Distributions:		
From net investment income (excluding dividends)	(0.39)	–
From dividends	–	–
From capital gains	–	–
Return of capital	–	–
Total annual distributions³	(0.39)	–
Net assets, end of period	9.70	10.10

Series O	Mar. 31 2020	Mar. 31 2019
Net assets, beginning of period	10.12	10.00
Increase (decrease) from operations:		
Total revenue	0.31	0.02
Total expenses	(0.01)	–
Realized gains (losses) for the period	0.72	–
Unrealized gains (losses) for the period	(0.59)	0.09
Total increase (decrease) from operations²	0.43	0.11
Distributions:		
From net investment income (excluding dividends)	(0.43)	–
From dividends	–	–
From capital gains	–	–
Return of capital	–	–
Total annual distributions³	(0.43)	–
Net assets, end of period	9.82	10.12

- (1) These calculations are prescribed by securities regulations and are not intended to be a reconciliation between opening and closing net assets per security. This information is derived from the Fund's audited annual financial statements. The net assets per security presented in the financial statements may differ from the net asset value per security calculated for fund pricing purposes. An explanation of these differences can be found in the *Notes to Financial Statements*.
- (2) Net assets and distributions are based on the actual number of securities outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of securities outstanding over the fiscal period.
- (3) Distributions were paid in cash/reinvested in additional securities of the Fund, or both.



MACKENZIE
Investments

MACKENZIE CREDIT ABSOLUTE RETURN FUND

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2020

ALTERNATIVE FUND

THE FUND'S NET ASSETS PER SECURITY (\$)¹ (cont'd)

Series PW	Mar. 31 2020	Mar. 31 2019
Net assets, beginning of period	10.10	10.00
Increase (decrease) from operations:		
Total revenue	0.23	0.02
Total expenses	(0.17)	(0.01)
Realized gains (losses) for the period	0.35	–
Unrealized gains (losses) for the period	(0.44)	0.09
Total increase (decrease) from operations²	(0.03)	0.10
Distributions:		
From net investment income (excluding dividends)	(0.39)	–
From dividends	–	–
From capital gains	–	–
Return of capital	–	–
Total annual distributions³	(0.39)	–
Net assets, end of period	9.70	10.10

Series PWFB	Mar. 31 2020	Mar. 31 2019
Net assets, beginning of period	10.11	10.00
Increase (decrease) from operations:		
Total revenue	0.31	0.02
Total expenses	(0.13)	(0.01)
Realized gains (losses) for the period	0.63	(0.01)
Unrealized gains (losses) for the period	(0.59)	0.08
Total increase (decrease) from operations²	0.22	0.08
Distributions:		
From net investment income (excluding dividends)	(0.40)	–
From dividends	–	–
From capital gains	–	–
Return of capital	–	–
Total annual distributions³	(0.40)	–
Net assets, end of period	9.73	10.11

Series PWX	Mar. 31 2020	Mar. 31 2019
Net assets, beginning of period	10.12	10.00
Increase (decrease) from operations:		
Total revenue	0.30	0.02
Total expenses	(0.01)	–
Realized gains (losses) for the period	0.42	0.01
Unrealized gains (losses) for the period	(0.58)	0.09
Total increase (decrease) from operations²	0.13	0.12
Distributions:		
From net investment income (excluding dividends)	(0.43)	–
From dividends	–	–
From capital gains	–	–
Return of capital	–	–
Total annual distributions³	(0.43)	–
Net assets, end of period	9.82	10.12

Series R	Mar. 31 2020	Mar. 31 2019
Net assets, beginning of period	10.12	10.00
Increase (decrease) from operations:		
Total revenue	0.28	0.02
Total expenses	(0.01)	–
Realized gains (losses) for the period	0.02	0.01
Unrealized gains (losses) for the period	(0.54)	0.09
Total increase (decrease) from operations²	(0.25)	0.12
Distributions:		
From net investment income (excluding dividends)	(0.43)	–
From dividends	–	–
From capital gains	–	–
Return of capital	–	–
Total annual distributions³	(0.43)	–
Net assets, end of period	9.82	10.12



MACKENZIE
Investments

MACKENZIE CREDIT ABSOLUTE RETURN FUND

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2020

ALTERNATIVE FUND

RATIOS AND SUPPLEMENTAL DATA

	Mar. 31 2020	Mar. 31 2019
Series A		
Total net asset value (\$000) ¹	84	18
Securities outstanding (000) ¹	9	2
Management expense ratio (%) ²	1.89	1.99
Management expense ratio before waivers or absorptions (%) ²	1.89	1.99
Trading expense ratio (%) ³	0.06	0.01
Portfolio turnover rate (%) ⁴	78.09	n/a
Net asset value per security (\$)	9.67	10.10

	Mar. 31 2020	Mar. 31 2019
Series F		
Total net asset value (\$000) ¹	1,647	1
Securities outstanding (000) ¹	169	–
Management expense ratio (%) ²	1.27	1.22
Management expense ratio before waivers or absorptions (%) ²	1.27	1.22
Trading expense ratio (%) ³	0.06	0.01
Portfolio turnover rate (%) ⁴	78.09	n/a
Net asset value per security (\$)	9.73	10.11

	Mar. 31 2020	Mar. 31 2019
Series FB		
Total net asset value (\$000) ¹	1	1
Securities outstanding (000) ¹	–	–
Management expense ratio (%) ²	1.48	1.41
Management expense ratio before waivers or absorptions (%) ²	1.48	1.41
Trading expense ratio (%) ³	0.06	0.01
Portfolio turnover rate (%) ⁴	78.09	n/a
Net asset value per security (\$)	9.70	10.10

	Mar. 31 2020	Mar. 31 2019
Series O		
Total net asset value (\$000) ¹	1	2,523
Securities outstanding (000) ¹	–	249
Management expense ratio (%) ²	0.02	–
Management expense ratio before waivers or absorptions (%) ²	0.02	–
Trading expense ratio (%) ³	0.06	0.01
Portfolio turnover rate (%) ⁴	78.09	n/a
Net asset value per security (\$)	9.82	10.12

	Mar. 31 2020	Mar. 31 2019
Series PW		
Total net asset value (\$000) ¹	67	1
Securities outstanding (000) ¹	7	–
Management expense ratio (%) ²	1.83	1.77
Management expense ratio before waivers or absorptions (%) ²	1.83	1.77
Trading expense ratio (%) ³	0.06	0.01
Portfolio turnover rate (%) ⁴	78.09	n/a
Net asset value per security (\$)	9.70	10.10

	Mar. 31 2020	Mar. 31 2019
Series PWFB		
Total net asset value (\$000) ¹	1	13
Securities outstanding (000) ¹	–	1
Management expense ratio (%) ²	1.26	1.20
Management expense ratio before waivers or absorptions (%) ²	1.26	1.20
Trading expense ratio (%) ³	0.06	0.01
Portfolio turnover rate (%) ⁴	78.09	n/a
Net asset value per security (\$)	9.73	10.11

	Mar. 31 2020	Mar. 31 2019
Series PWX		
Total net asset value (\$000) ¹	1	1
Securities outstanding (000) ¹	–	–
Management expense ratio (%) ²	0.02	–
Management expense ratio before waivers or absorptions (%) ²	0.02	–
Trading expense ratio (%) ³	0.06	0.01
Portfolio turnover rate (%) ⁴	78.09	n/a
Net asset value per security (\$)	9.82	10.12

- (1) This information is provided as at the end of the fiscal period shown.
- (2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. If in the period a series was established or reinstated, the management expense ratio is annualized from the date of inception or reinstatement. Mackenzie may waive or absorb operating expenses at its discretion and stop waiving or absorbing such expenses at any time without notice.
- (3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
- (4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is not provided when the Fund is less than one year old. The value of any trades to realign the Fund's portfolio after a fund merger, if any, is excluded from the portfolio turnover rate.



MACKENZIE
Investments

MACKENZIE CREDIT ABSOLUTE RETURN FUND

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2020

ALTERNATIVE FUND

RATIOS AND SUPPLEMENTAL DATA (cont'd)

Series R	Mar. 31 2020	Mar. 31 2019
Total net asset value (\$000) ¹	117,121	46,020
Securities outstanding (000) ¹	11,925	4,549
Management expense ratio (%) ²	0.02	–
Management expense ratio before waivers or absorptions (%) ²	0.02	–
Trading expense ratio (%) ³	0.06	0.01
Portfolio turnover rate (%) ⁴	78.09	n/a
Net asset value per security (\$)	9.82	10.12

Management Fees

The management fee for each applicable series is calculated and accrued daily as a percentage of its NAV. The Fund's management fees were used by Mackenzie to pay for the costs of managing the investment portfolio of the Fund and/or the underlying fund(s), as applicable, including providing investment analysis and recommendations, making investment decisions, making brokerage arrangements for the purchase and sale of the investment portfolio, and providing other services. Mackenzie also used the management fees to fund sales commissions, trailing commissions and any other compensation (collectively "distribution-related payments") to registered dealers and brokers whose clients invest in the Fund.

The following dealers affiliated with Mackenzie may be entitled to distribution-related payments from Mackenzie on the same basis as unrelated registered brokers and dealers: IPC Securities Corporation, Investors Group Securities Inc., IPC Investment Corporation and Investors Group Financial Services Inc.

Mackenzie used approximately 43% of the total management fee revenues received from all Mackenzie funds during the year to fund distribution-related payments to registered dealers and brokers. In comparison, such distribution-related payments for the Fund represented on average 4% of the management fees paid by all applicable series of the Fund during the year. The actual percentage for each series may be higher or lower than the average depending on the level of trailing commissions and sales commissions paid for that series.



MACKENZIE
Investments

MACKENZIE CREDIT ABSOLUTE RETURN FUND

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2020

ALTERNATIVE FUND

Fund Formation and Series Information

The Fund may have undergone a number of changes, such as a reorganization or a change in manager, mandate or name. A history of the major changes affecting the Fund in the last 10 years can be found in the Fund's Annual Information Form.

Date of Formation January 31, 2019

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 *Financial Highlights*.

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

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

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

Series FB 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.

Series O securities are offered only to investors investing a minimum of \$500,000 who have an account with Mackenzie Private Wealth Counsel; certain institutional investors; investors in a qualified group plan, and certain qualifying employees of Mackenzie and its subsidiaries.

Series PW securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000.

Series PWFB 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.

Series PWX 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.

Series R securities are offered only to other affiliated funds and certain institutional investors in connection with fund-of-fund arrangements.

Each series is available for purchase under the sales charge purchase option. The charges under the sales charge purchase option are negotiated by investors with their dealers. For further details on this purchase option, please refer to the Fund's Simplified Prospectus and Fund Facts.

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Mar. 31, 2020	Mar. 31, 2019
Series A	February 26, 2019	1.35% ⁽³⁾	0.24%	9.67	10.10
Series F	February 26, 2019	0.75% ⁽⁴⁾	0.15%	9.73	10.11
Series FB	February 26, 2019	0.85% ⁽⁵⁾	0.24%	9.70	10.10
Series O	February 26, 2019	— ⁽¹⁾	— *	9.82	10.12
Series PW	February 26, 2019	1.25% ⁽⁶⁾	0.15%	9.70	10.10
Series PWFB	February 26, 2019	0.75% ⁽⁴⁾	0.15%	9.73	10.11
Series PWX	February 26, 2019	— ⁽²⁾	— ⁽²⁾	9.82	10.12
Series R	February 26, 2019	— *	— *	9.82	10.12

* Not applicable.

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

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

(3) Prior to April 15, 2020, the management fee for Series A was charged to the Fund at a rate of 1.55%.

(4) Prior to April 15, 2020, the management fee for this series was charged to the Fund at a rate of 0.95%.

(5) Prior to April 15, 2020, the management fee for Series FB was charged to the Fund at a rate of 1.05%.

(6) Prior to April 15, 2020, the management fee for Series PW was charged to the Fund at a rate of 1.45%.