

MACKENZIE CREDIT ABSOLUTE RETURN FUND

Annual Management Report of Fund Performance

For the Year Ended March 31, 2022

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, outbreaks of disease or pandemics (such as COVID-19), 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
Investments

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Management Discussion of Fund Performance

June 3, 2022

This Management Discussion of Fund Performance presents the portfolio management team's view on the significant factors and developments that have affected the Fund's performance and outlook in the year ended March 31, 2022 (the "period"). If the Fund was established during the period, "period" represents the period since inception.

In this report, "Mackenzie" and "the Manager" refer 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.

Please read *A Note on Forward-Looking Statements* on the first page of this document.

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 investment in 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 all series in the current and previous periods is shown in the *Past Performance* section of the report. Performance will vary by series primarily because fees and expenses differ between 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. The following comparison to market indices is intended to help investors understand the Fund's performance relative to the general performance of the markets. However, the Fund's mandate may be different from that of the indices shown.

During the period, the Fund's Series A securities returned -6.9% (after deducting fees and expenses paid by the series). This compares with the FTSE Canada 91-Day T-Bill Index return of 0.3%. 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.

Yields across the Group of Ten ("G10") countries experienced volatility in response to emerging COVID-19 variants, rising prices and escalating geopolitical tensions. Throughout the period, central banks generally became more aggressive, indicating an imminent departure from ultra-accommodative monetary policy. In turn, G10

yields steadily increased. Emerging market bonds had a strong start but ended the period weaker as yields of U.S. fixed income assets surged in anticipation of tightening U.S. Federal Reserve policy.

Extremely narrow high-yield spreads (the difference in yield between government bonds and high-yield bonds of similar maturities) in the first half of the period were supported by higher economic growth projections and improving credit fundamentals. However, volatility intensified and spreads widened in the second half, driven by weaker growth prospects as a result of new COVID-19 variants, a downturn in the Chinese property sector, aggressive central bank policies and more cautious investor sentiment in response to escalating geopolitical tensions. Term loans, particularly senior secured floating-rate loans, performed well relative to other fixed income asset classes in an environment of rising interest rates.

The Fund underperformed the index, with holdings in high-yield and investment grade corporate bonds detracting from performance. The long/short credit component and exposure to bonds issued by Chinese real estate developers also detracted from performance. Conversely, holdings in term loans and private credit contributed to performance.

Hedging of foreign currency exposure contributed to performance as a result of the overall depreciation of the hedged currencies relative to the Canadian dollar.

Over the period, the portfolio management team increased long exposure to fixed income while decreasing short exposure, particularly a short position in U.S. Treasuries. Exposure to investment grade corporate bonds was decreased as spreads reached historical lows. Net exposure to the United States and Canada increased.

Much of the Fund's cash was used as collateral for positions in futures.

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. This exposure must not exceed 300% of the Fund's NAV.

The leverage of the Fund results from the combined impact of each of its strategies: protected high-yield, leveraged investment grade credit, long/short credit and credit momentum. The protected high-yield strategy seeks exposure to a diversified collection of non-investment grade bonds and applies an options overlay to mitigate the risk associated with this asset class. 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 long and short positions in corporate bonds based on company- and industry-specific factors. The proprietary credit momentum strategy uses primarily derivatives such as swaps and futures to systematically adjust the Fund's exposure to investment grade and high-yield bonds, floating-rate loans and emerging market debt.

During the period, the Fund's aggregate exposure to sources of leverage ranged from 40% to 140% of the Fund's NAV. The high end of the range occurred in April 2021 when the Fund had significant leveraged exposure to investment grade bonds. The low end of the range occurred in May 2021, when total return swaps expired. The primary sources of leverage were physical short positions in fixed income securities, futures, options, forward currency contracts and swaps. Including the notional value of derivatives used for hedging, the low and high amounts of leverage ranged from 206% to 413%.

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Net Assets

The Fund's net assets decreased by 5.6% during the period to \$127.3 million. This change was composed primarily of \$7.3 million in net losses (including any interest and/or dividend income) from investment performance, after deducting fees and expenses, and a decrease of \$0.3 million due to net securityholder activity (including sales, redemptions and cash distributions).

Fees and Expenses

The management expense ratio ("MER") for each series during the year ended March 31, 2022, was generally similar to the MER for the year ended March 31, 2021. Total expenses paid vary from period to period mainly as a result of changes in average assets in each series. The MER for Series PW decreased due to a decrease in fund costs, changes in its applicable Harmonized Sales Tax rate and the Manager decreasing waivers on management and/or administration fees. The Manager may discontinue the practice of absorbing management and/or administration fees at any time without prior notice to investors. The MERs for all series are presented in the *Financial Highlights* section of this report.

Recent Developments

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

The portfolio management team expects fixed income markets to remain volatile and inflation to stay high throughout 2022. The team further expects the Federal Reserve to remain aggressive in the face of persistent inflation, making a series of interest rate increases that could lead to additional uncertainty in the longer-term growth outlook. Similarly, inflation may compel the European Central Bank to raise interest rates in the near term, in the team's view. As such, the team was monitoring credit spreads (the difference in yield between government bonds and corporate bonds of similar maturities) and remained selective in identifying corporate bond opportunities at period-end.

Effective September 22, 2021, Atul Tiwari was appointed to the Mackenzie Funds' Independent Review Committee.

Related Party Transactions

Management and Administration Services

For each applicable series, the Fund paid management fees and administration fees to the Manager 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, the Manager 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

During the period, the Mackenzie Funds' Independent Review Committee issued a positive recommendation for the Fund to proceed with investing in a private credit fund managed by Northleaf Capital Partners, a company in which the Manager holds a significant ownership interest. At March 31, 2022, the Fund held an investment of \$1.1 million (0.9% of the Fund's NAV) in Northleaf Private Credit II LP. This represents US\$0.8 million as part of a total commitment to invest US\$1.9 million.

During the period, the Mackenzie Funds' Independent Review Committee issued a positive recommendation for the Fund to proceed with investing in a private credit fund managed by Sagard Holdings Inc., a company affiliated with the Manager. At March 31, 2022, the Fund held an investment of \$0.2 million (0.1% of the Fund's NAV) in Sagard Credit Partners II, LP. This represents US\$0.1 million as part of a total commitment to invest US\$1.9 million.

Investment funds managed by Mackenzie and its affiliates may invest in the Fund. All these investments are made on a prospectus-exempt basis in accordance with the investment objectives of those funds. At March 31, 2022, funds managed by Mackenzie owned 88.8% of the Fund's NAV, and funds managed by The Canada Life Assurance Company and Canada Life Investment Management Ltd. owned 5.1% of the Fund's NAV. All related party transactions are based on the NAV per security on each transaction day. As a result of these investments, the Fund may be 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, through such processes as requiring advance notice of large redemptions.

During the period, the Fund received \$0.01 million in income distributions from investments in exchange-traded funds ("ETFs") managed by Mackenzie to offset fees paid within those ETFs. There is no assurance that these distributions will continue in the future.

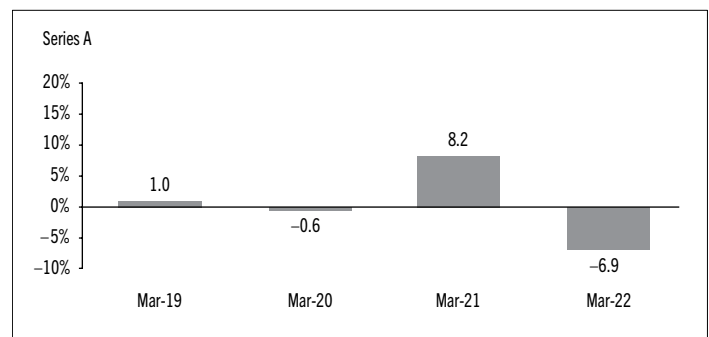
Past Performance

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.

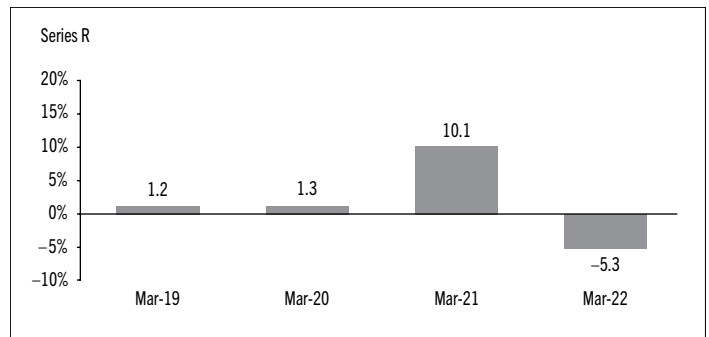
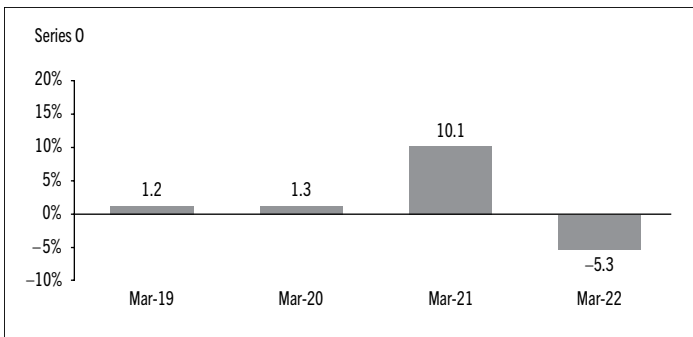
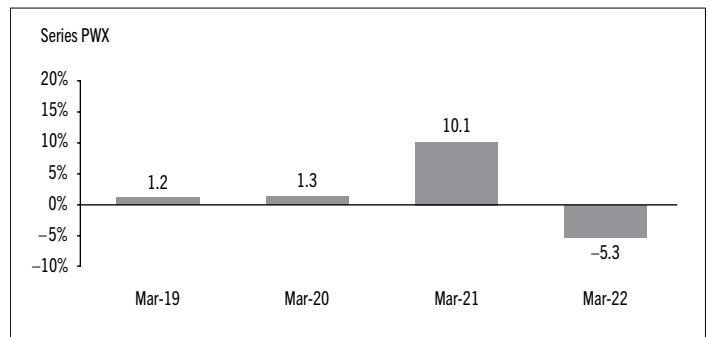
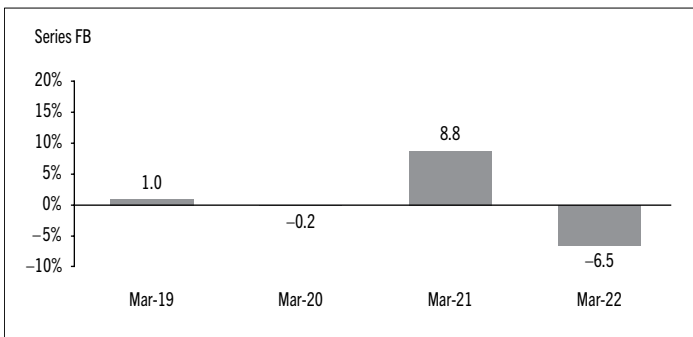
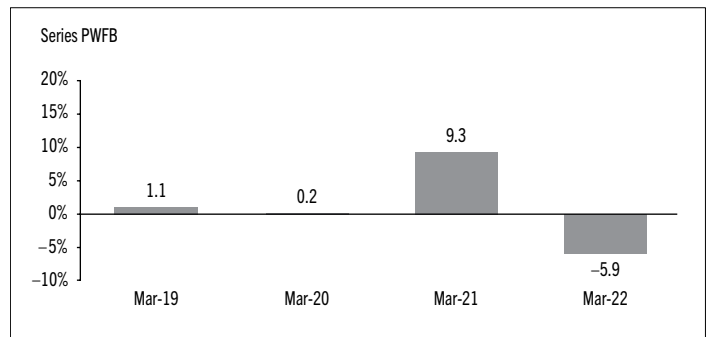
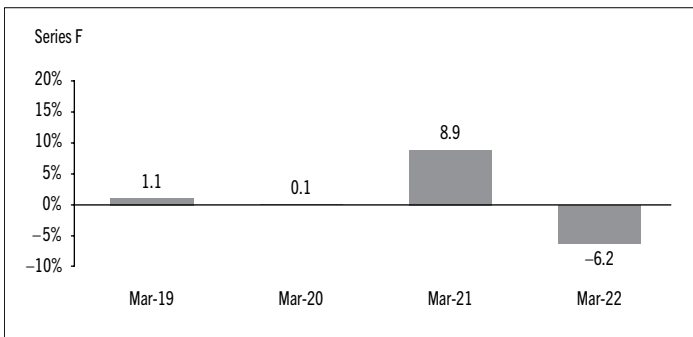
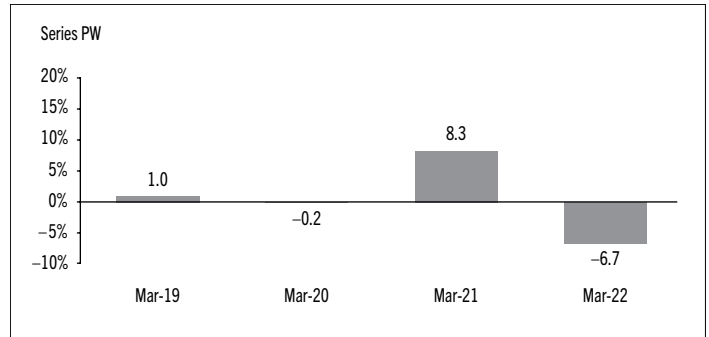
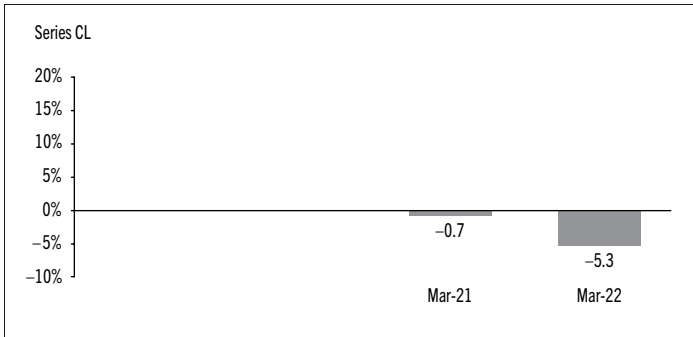
Year-by-Year Returns

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*.



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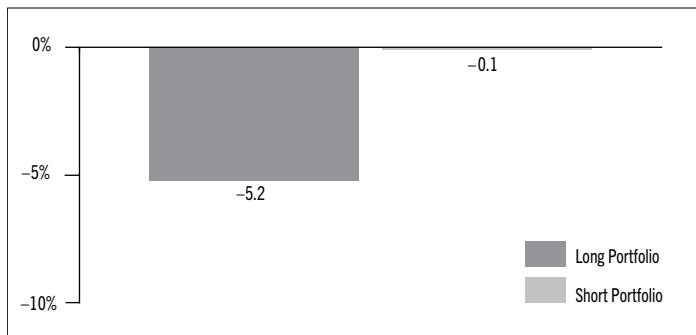
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The following bar chart presents the performance of the Fund's long and short portfolio positions for the period ended March 31, 2022, before deducting fees and expenses and before the effect of other assets (liabilities).



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, 2022. 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	-6.9	0.0	n/a	n/a	0.4
Series CL	-5.3	n/a	n/a	n/a	-5.3
Series F	-6.2	0.7	n/a	n/a	1.0
Series FB	-6.5	0.5	n/a	n/a	0.8
Series O	-5.3	1.8	n/a	n/a	2.2
Series PW	-6.7	0.3	n/a	n/a	0.6
Series PWFB	-5.9	1.0	n/a	n/a	1.3
Series PWX	-5.3	1.8	n/a	n/a	2.2
Series R	-5.3	1.8	n/a	n/a	2.2
FTSE Canada 91-Day T-Bill Index	0.3	0.8	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 series CL is 0.3%, and for all other series is 0.8%.

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Summary of Investment Portfolio at March 31, 2022

PORTFOLIO ALLOCATION	% OF NAV		
	Long	Short	Net
Bonds	126.0	(5.9)	120.1
<i>Bonds</i>	75.2	(4.2)	71.0
<i>Futures*</i>	50.2	(1.5)	48.7
<i>Purchased options**</i>	0.6	–	0.6
<i>Written options**</i>	–	(0.2)	(0.2)
Private credit funds	1.0	–	1.0
Equities	0.6	–	0.6
Swaps†	0.4	–	0.4
Cash and short-term investments	0.0	0.0	0.0
Exchange-traded funds/notes	0.4	(0.7)	(0.3)
Other assets (liabilities)	(23.3)	1.5	(21.8)

REGIONAL ALLOCATION	% OF NAV		
	Long	Short	Net
United States	82.3	(3.9)	78.4
Canada	29.9	(0.6)	29.3
Australia	4.6	–	4.6
Other	2.3	–	2.3
China	2.2	–	2.2
Luxembourg	1.3	–	1.3
Netherlands	1.2	–	1.2
United Kingdom	1.6	(0.6)	1.0
Switzerland	0.9	–	0.9
France	0.8	–	0.8
Israel	0.8	–	0.8
Brazil	0.5	–	0.5
Cash and short-term investments	0.0	0.0	0.0
Germany	–	(0.7)	(0.7)
Japan	–	(0.8)	(0.8)
Other assets (liabilities)	(23.3)	1.5	(21.8)

SECTOR ALLOCATION	% OF NAV		
	Long	Short	Net
Corporate bonds	74.2	(4.2)	70.0
Bond futures	50.2	(1.5)	48.7
Private credit funds	1.0	–	1.0
Mortgage backed	0.8	–	0.8
Other	1.0	(0.2)	0.8
Financials	0.6	–	0.6
Municipal bonds	0.2	–	0.2
Cash and short-term investments	0.0	0.0	0.0
Exchange-traded funds/notes	0.4	(0.7)	(0.3)
Other assets (liabilities)	(23.3)	1.5	(21.8)

NET CURRENCY EXPOSURE	% OF NAV
Canadian dollar	101.7
Australian dollar	0.8
New Zealand dollar	0.7
Other	0.1
Swedish krona	(0.7)
Japanese yen	(0.9)
Swiss franc	(1.7)

BONDS BY CREDIT RATING††	% OF NAV
AAA	0.2
A	0.7
BBB	6.9
Less than BBB	55.2
Unrated	8.0

* Notional values represent 50.6% of NAV for long bond futures and –1.5% of NAV for short bond futures.

** Notional values represent 58.7% of NAV for purchased options and –53.9% of NAV for written options.

† Notional values represent 37.6% of NAV for equity basket swaps.

†† Credit ratings and rating categories are based on ratings issued by a designated rating organization. This table includes only bonds directly held by the Fund.

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Summary of Investment Portfolio at March 31, 2022 (cont'd)

TOP 25 LONG POSITIONS	% OF NAV
Issuer/Underlying Fund	
Cash and short-term investments	21.5
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	1.6
TransCanada Trust F/R 05-18-2077 Callable 2027	1.6
Inter Pipeline Ltd. F/R 11-19-2079 Callable 2029	1.5
CCO Holdings LLC 4.25% 02-01-2031 Callable 2025	1.5
LABL Escrow Issuer LLC 10.50% 07-15-2027 Callable 2022	1.5
Gray Television Inc. 5.38% 11-15-2031	1.3
Parkland Corp. of Canada 4.50% 10-01-2029	1.3
MEG Energy Corp. 7.13% 02-01-2027 Callable 2023	1.0
BWAY Holding Co. 7.25% 04-15-2025	1.0
Rogers Communications Inc. F/R 03-15-2082	1.0
Weatherford International Ltd. 8.63% 04-30-2030	0.9
VistaJet Malta Finance PLC 6.38% 02-01-2030	0.9
Northleaf Private Credit II LP ⁽¹⁾	0.9
Pembina Pipeline Corp. F/R 01-25-2081	0.8
Videotron Ltd. 3.13% 01-15-2031	0.8
Secure Energy Services Inc. 7.25% 12-30-2026	0.8
Bank of Montreal F/R 11-26-2080	0.8
Royal Bank of Canada F/R 11-24-2080 Callable 2025	0.8
Parkland Corp. 4.38% 03-26-2029	0.8
Teva Pharmaceutical Industries Ltd. 2.80% 07-21-2023	0.8
CommScope Technologies Finance LLC 8.25% 03-01-2027 Callable 2022	0.8
Superior Plus LP 4.25% 05-18-2028	0.7
Ford Credit Canada Co. 2.96% 09-16-2026	0.7
Six Flags Entertainment Corp. 5.50% 04-15-2027 Callable 2022	0.7
Top long positions as a percentage of total net asset value	46.0

(1) The issuer of this security is related to the Manager.

For the prospectus and other information about the underlying fund(s) held in the portfolio, visit www.mackenzieinvestments.com or www.sedar.com.

TOP 25 SHORT POSITIONS	% OF NAV
Issuer/Underlying Fund	
Motion MidCo Ltd. 6.63% 11-15-2027 Callable 2022	(0.6)
SPDR Bloomberg Barclays Convertible Securities ETF	(0.6)
Wynn Resorts Finance LLC 5.13% 10-01-2029	(0.4)
SCIH Salt Holdings Inc. 6.63% 05-01-2029	(0.4)
EPR Properties 3.75% 08-15-2029 Callable 2029	(0.4)
Bombardier Inc. 7.50% 03-15-2025 Callable 2022	(0.3)
Bombardier Inc. 7.88% 04-15-2027 Callable 2022	(0.3)
Surgery Center Holdings Inc. 10.00% 04-15-2027 Callable 2022	(0.2)
Credit Acceptance Corp. 6.63% 03-15-2026 Callable 2022	(0.2)
The Goodyear Tire & Rubber Co. 4.88% 03-15-2027 Callable 2026	(0.2)
TRI Pointe Group Inc. 5.70% 06-15-2028	(0.2)
Adient Global Holdings Ltd. 4.88% 08-15-2026 Callable 2022	(0.2)
Cinemark USA Inc. 8.75% 05-01-2025 Callable 2022	(0.2)
Coty Inc. 4.75% 01-15-2029	(0.1)
American Airlines Group Inc. 3.75% 03-01-2025	(0.1)
At Home Group Inc. 7.13% 07-15-2029	(0.1)
Cinemark USA Inc. 5.25% 07-15-2028	(0.1)
iShares iBoxx \$ High Yield Corporate Bond ETF Written Put Option @ \$76.00 Exp. 06-17-2022	(0.1)
iShares iBoxx \$ High Yield Corporate Bond ETF Written Put Option @ \$70.00 Exp. 06-17-2022	(0.1)
iShares iBoxx \$ High Yield Corporate Bond ETF Written Put Option @ \$70.00 Exp. 06-17-2022	(0.1)
Murphy Oil Corp. 5.88% 12-01-2027	(0.1)
iShares iBoxx \$ High Yield Corporate Bond ETF Written Put Option @ \$73.00 Exp. 05-20-2022	(0.0)
iShares iBoxx \$ High Yield Corporate Bond ETF Written Put Option @ \$73.00 Exp. 05-20-2022	(0.0)
iShares iBoxx \$ High Yield Corporate Bond ETF Written Put Option @ \$72.00 Exp. 05-20-2022	(0.0)
Euro-Bund Futures	0.0
Top short positions as a percentage of total net asset value	(5.0)

The investments and percentages may have changed since March 31, 2022, 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.

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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 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Net assets, beginning of period	9.76	9.67	10.10	10.00
Increase (decrease) from operations:				
Total revenue	0.43	0.35	0.29	0.45
Total expenses	(0.18)	(0.19)	(0.20)	(0.02)
Realized gains (losses) for the period	(0.10)	0.18	0.26	(2.35)
Unrealized gains (losses) for the period	(0.56)	0.11	(0.55)	2.01
Total increase (decrease) from operations²	(0.41)	0.45	(0.20)	0.09
Distributions:				
From net investment income (excluding Canadian dividends)	(0.17)	(0.58)	(0.37)	–
From Canadian dividends	–	–	–	–
From capital gains	–	(0.13)	–	–
Return of capital	–	–	–	–
Total annual distributions³	(0.17)	(0.71)	(0.37)	–
Net assets, end of period	8.91	9.76	9.67	10.10
Series CL	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Net assets, beginning of period	9.87	10.00	n/a	n/a
Increase (decrease) from operations:				
Total revenue	0.43	0.07	n/a	n/a
Total expenses	(0.01)	–	n/a	n/a
Realized gains (losses) for the period	(1.29)	(0.20)	n/a	n/a
Unrealized gains (losses) for the period	(0.57)	0.02	n/a	n/a
Total increase (decrease) from operations²	(1.44)	(0.11)	n/a	n/a
Distributions:				
From net investment income (excluding Canadian dividends)	(0.29)	(0.07)	n/a	n/a
From Canadian dividends	–	–	n/a	n/a
From capital gains	–	–	n/a	n/a
Return of capital	–	–	n/a	n/a
Total annual distributions³	(0.29)	(0.07)	n/a	n/a
Net assets, end of period	9.05	9.87	n/a	n/a

Series F	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Net assets, beginning of period	9.82	9.73	10.11	10.00
Increase (decrease) from operations:				
Total revenue	0.43	0.36	0.27	0.02
Total expenses	(0.11)	(0.12)	(0.13)	(0.01)
Realized gains (losses) for the period	(0.42)	0.37	0.08	0.01
Unrealized gains (losses) for the period	(0.56)	0.11	(0.52)	0.09
Total increase (decrease) from operations²	(0.66)	0.72	(0.30)	0.11
Distributions:				
From net investment income (excluding Canadian dividends)	(0.22)	(0.65)	(0.39)	–
From Canadian dividends	–	–	–	–
From capital gains	–	(0.14)	–	–
Return of capital	–	–	–	–
Total annual distributions³	(0.22)	(0.79)	(0.39)	–
Net assets, end of period	8.98	9.82	9.73	10.11
Series FB	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Net assets, beginning of period	9.79	9.70	10.10	10.00
Increase (decrease) from operations:				
Total revenue	0.43	0.36	0.31	0.02
Total expenses	(0.14)	(0.14)	(0.15)	(0.01)
Realized gains (losses) for the period	(0.36)	0.51	0.52	–
Unrealized gains (losses) for the period	(0.56)	0.11	(0.59)	0.09
Total increase (decrease) from operations²	(0.63)	0.84	0.09	0.10
Distributions:				
From net investment income (excluding Canadian dividends)	(0.20)	(0.64)	(0.39)	–
From Canadian dividends	–	–	–	–
From capital gains	–	(0.13)	–	–
Return of capital	–	–	–	–
Total annual distributions³	(0.20)	(0.77)	(0.39)	–
Net assets, end of period	8.95	9.79	9.70	10.10

- (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, if any, 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 CREDIT ABSOLUTE RETURN FUND

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2022

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

	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Series O				
Net assets, beginning of period	9.94	9.82	10.12	10.00
Increase (decrease) from operations:				
Total revenue	0.43	0.34	0.31	0.02
Total expenses	(0.01)	(0.02)	(0.01)	–
Realized gains (losses) for the period	(1.20)	(0.03)	0.72	–
Unrealized gains (losses) for the period	(0.57)	0.11	(0.59)	0.09
Total increase (decrease) from operations²	(1.35)	0.40	0.43	0.11
Distributions:				
From net investment income (excluding Canadian dividends)	(0.29)	(0.72)	(0.43)	–
From Canadian dividends	–	–	–	–
From capital gains	–	(0.16)	–	–
Return of capital	–	–	–	–
Total annual distributions³	(0.29)	(0.88)	(0.43)	–
Net assets, end of period	9.12	9.94	9.82	10.12
Series PW				
Net assets, beginning of period	9.76	9.70	10.10	10.00
Increase (decrease) from operations:				
Total revenue	0.42	0.36	0.23	0.02
Total expenses	(0.16)	(0.18)	(0.17)	(0.01)
Realized gains (losses) for the period	(0.55)	0.59	0.35	–
Unrealized gains (losses) for the period	(0.56)	0.11	(0.44)	0.09
Total increase (decrease) from operations²	(0.85)	0.88	(0.03)	0.10
Distributions:				
From net investment income (excluding Canadian dividends)	(0.19)	(0.62)	(0.39)	–
From Canadian dividends	–	–	–	–
From capital gains	–	(0.13)	–	–
Return of capital	–	–	–	–
Total annual distributions³	(0.19)	(0.75)	(0.39)	–
Net assets, end of period	8.92	9.76	9.70	10.10
Series PWFB				
Net assets, beginning of period	9.83	9.73	10.11	10.00
Increase (decrease) from operations:				
Total revenue	0.43	0.36	0.31	0.02
Total expenses	(0.08)	(0.09)	(0.13)	(0.01)
Realized gains (losses) for the period	(0.37)	0.51	0.63	(0.01)
Unrealized gains (losses) for the period	(0.56)	0.11	(0.59)	0.08
Total increase (decrease) from operations²	(0.58)	0.89	0.22	0.08
Distributions:				
From net investment income (excluding Canadian dividends)	(0.25)	(0.67)	(0.40)	–
From Canadian dividends	–	–	–	–
From capital gains	–	(0.14)	–	–
Return of capital	–	–	–	–
Total annual distributions³	(0.25)	(0.81)	(0.40)	–
Net assets, end of period	9.01	9.83	9.73	10.11

	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Series PWX				
Net assets, beginning of period	9.94	9.82	10.12	10.00
Increase (decrease) from operations:				
Total revenue	0.43	0.37	0.30	0.02
Total expenses	(0.01)	(0.02)	(0.01)	–
Realized gains (losses) for the period	(0.37)	0.45	0.42	0.01
Unrealized gains (losses) for the period	(0.57)	0.11	(0.58)	0.09
Total increase (decrease) from operations²	(0.52)	0.91	0.13	0.12
Distributions:				
From net investment income (excluding Canadian dividends)	(0.30)	(0.72)	(0.43)	–
From Canadian dividends	–	–	–	–
From capital gains	–	(0.16)	–	–
Return of capital	–	–	–	–
Total annual distributions³	(0.30)	(0.88)	(0.43)	–
Net assets, end of period	9.12	9.94	9.82	10.12
Series R				
Net assets, beginning of period	9.94	9.82	10.12	10.00
Increase (decrease) from operations:				
Total revenue	0.43	0.37	0.28	0.02
Total expenses	(0.01)	(0.02)	(0.01)	–
Realized gains (losses) for the period	(0.34)	0.51	0.02	0.01
Unrealized gains (losses) for the period	(0.57)	0.11	(0.54)	0.09
Total increase (decrease) from operations²	(0.49)	0.97	(0.25)	0.12
Distributions:				
From net investment income (excluding Canadian dividends)	(0.30)	(0.72)	(0.43)	–
From Canadian dividends	–	–	–	–
From capital gains	–	(0.16)	–	–
Return of capital	–	–	–	–
Total annual distributions³	(0.30)	(0.88)	(0.43)	–
Net assets, end of period	9.12	9.94	9.82	10.12

MACKENZIE CREDIT ABSOLUTE RETURN FUND

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RATIOS AND SUPPLEMENTAL DATA

	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Series A				
Total net asset value (\$000) ¹	310	850	84	18
Securities outstanding (000) ¹	35	87	9	2
Management expense ratio (%) ²	1.76	1.74	1.89	1.99
Management expense ratio before waivers or absorptions (%) ²	1.76	1.74	1.89	1.99
Trading expense ratio (%) ³	0.10	0.15	0.06	0.01
Portfolio turnover rate (%) ⁴	92.10	134.26	78.09	n/a
Net asset value per security (\$)	8.91	9.75	9.67	10.10
Series CL				
Total net asset value (\$000) ¹	6,518	1	n/a	n/a
Securities outstanding (000) ¹	720	–	n/a	n/a
Management expense ratio (%) ²	0.04	–	n/a	n/a
Management expense ratio before waivers or absorptions (%) ²	0.05	–	n/a	n/a
Trading expense ratio (%) ³	0.10	0.15	n/a	n/a
Portfolio turnover rate (%) ⁴	92.10	134.26	n/a	n/a
Net asset value per security (\$)	9.05	9.86	n/a	n/a
Series F				
Total net asset value (\$000) ¹	6,352	5,805	1,647	1
Securities outstanding (000) ¹	707	592	169	–
Management expense ratio (%) ²	1.03	1.06	1.27	1.22
Management expense ratio before waivers or absorptions (%) ²	1.04	1.09	1.27	1.22
Trading expense ratio (%) ³	0.10	0.15	0.06	0.01
Portfolio turnover rate (%) ⁴	92.10	134.26	78.09	n/a
Net asset value per security (\$)	8.98	9.81	9.73	10.11
Series FB				
Total net asset value (\$000) ¹	1	1	1	1
Securities outstanding (000) ¹	–	–	–	–
Management expense ratio (%) ²	1.27	1.25	1.48	1.41
Management expense ratio before waivers or absorptions (%) ²	1.28	1.36	1.48	1.41
Trading expense ratio (%) ³	0.10	0.15	0.06	0.01
Portfolio turnover rate (%) ⁴	92.10	134.26	78.09	n/a
Net asset value per security (\$)	8.95	9.78	9.70	10.10
Series O				
Total net asset value (\$000) ¹	1,026	11	1	2,523
Securities outstanding (000) ¹	112	1	–	249
Management expense ratio (%) ²	0.04	0.04	0.02	–
Management expense ratio before waivers or absorptions (%) ²	0.05	0.05	0.02	–
Trading expense ratio (%) ³	0.10	0.15	0.06	0.01
Portfolio turnover rate (%) ⁴	92.10	134.26	78.09	n/a
Net asset value per security (\$)	9.12	9.93	9.82	10.12

	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Series PW				
Total net asset value (\$000) ¹	98	72	67	1
Securities outstanding (000) ¹	11	7	7	–
Management expense ratio (%) ²	1.54	1.61	1.83	1.77
Management expense ratio before waivers or absorptions (%) ²	1.55	1.73	1.83	1.77
Trading expense ratio (%) ³	0.10	0.15	0.06	0.01
Portfolio turnover rate (%) ⁴	92.10	134.26	78.09	n/a
Net asset value per security (\$)	8.92	9.76	9.70	10.10
Series PWFB				
Total net asset value (\$000) ¹	1	1	1	13
Securities outstanding (000) ¹	–	–	–	1
Management expense ratio (%) ²	1.06	1.03	1.26	1.20
Management expense ratio before waivers or absorptions (%) ²	1.07	1.15	1.26	1.20
Trading expense ratio (%) ³	0.10	0.15	0.06	0.01
Portfolio turnover rate (%) ⁴	92.10	134.26	78.09	n/a
Net asset value per security (\$)	9.01	9.83	9.73	10.11
Series PWX				
Total net asset value (\$000) ¹	1	1	1	1
Securities outstanding (000) ¹	–	–	–	–
Management expense ratio (%) ²	0.04	–	0.02	–
Management expense ratio before waivers or absorptions (%) ²	0.05	0.12	0.02	–
Trading expense ratio (%) ³	0.10	0.15	0.06	0.01
Portfolio turnover rate (%) ⁴	92.10	134.26	78.09	n/a
Net asset value per security (\$)	9.12	9.93	9.82	10.12

- (1) This information is provided as at the end of the fiscal period shown.
- (2) Management expense ratio ("MER") is based on total expenses, excluding commissions and other portfolio transaction costs, income taxes and withholding taxes, for the stated period and is expressed as an annualized percentage of daily average net assets during the period, except as noted. In the period a series is established, the MER is annualized from the date of inception to the end of the period. Where the Fund directly invests in securities of another fund (including exchange-traded funds or ETFs), the MERs presented for the Fund include the portion of MERs of the other fund(s) attributable to this investment. Any income distributions received from ETFs managed by the Manager, with the intention of offsetting fees paid within those ETFs but which are not considered to be duplicative fees under regulatory requirements, are treated as waived expenses for MER purposes. The Manager 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 ("TER") represents total commissions and other portfolio transaction costs incurred as an annualized percentage of daily average net assets during the period. Where the Fund invests in securities of another fund (including exchange-traded funds or ETFs), the TERs presented for the Fund include the portion of TERs of the other fund(s) attributable to this investment.
- (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 the 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 CREDIT ABSOLUTE RETURN FUND

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RATIOS AND SUPPLEMENTAL DATA (cont'd)

Series R	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Total net asset value (\$000) ¹	112,947	127,985	117,121	46,020
Securities outstanding (000) ¹	12,385	12,888	11,925	4,549
Management expense ratio (%) ²	0.04	–	0.02	–
Management expense ratio before waivers or absorptions (%) ²	0.05	–	0.02	–
Trading expense ratio (%) ³	0.10	0.15	0.06	0.01
Portfolio turnover rate (%) ⁴	92.10	134.26	78.09	n/a
Net asset value per security (\$)	9.12	9.93	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 the Manager 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. The Manager 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 the Manager may be entitled to distribution-related payments from the Manager 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.

The Manager used approximately 44% of the total management fee revenues received from all Mackenzie funds during the period to fund distribution-related payments to registered dealers and brokers. In comparison, such distribution-related payments for the Fund represented on average 5% of the management fees paid by all applicable series of the Fund during the period. 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 CREDIT ABSOLUTE RETURN FUND

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2022

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 CL securities are offered exclusively to mutual funds and segregated funds managed by The Canada Life Assurance Company and its subsidiaries.

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 funds managed by Mackenzie on a non-prospectus basis 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. All deferred sales charge purchase options will cease on or prior to June 2022. 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
Series A	February 26, 2019	1.35% ⁽³⁾	0.24%
Series CL	February 10, 2021	— *	— *
Series F	February 26, 2019	0.75% ⁽⁴⁾	0.15%
Series FB	February 26, 2019	0.85% ⁽⁵⁾	0.24%
Series O	February 26, 2019	— ⁽¹⁾	— *
Series PW	February 26, 2019	1.25% ⁽⁶⁾	0.15%
Series PWFB	February 26, 2019	0.75% ⁽⁴⁾	0.15%
Series PWX	February 26, 2019	— ⁽²⁾	— ⁽²⁾
Series R	February 26, 2019	— *	— *

* 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%.