

Annual Management Report of Fund Performance

For the Period 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 proxy voting policies and procedures or proxy voting disclosure record. 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.

POWER SUSTAINABLE CHINA ASCENT FUND

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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 period 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 long-term capital growth by investing primarily in equities of companies domiciled in, or exercising the predominant part of their activity in, the People's Republic of China. The Fund seeks to invest in companies that have positive environmental and social characteristics.

Risk

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

The Fund is suitable for long-term investors looking for a Chinese equity fund to hold as part of their portfolio, who can handle the volatility of stock markets and who have a high tolerance for risk.

Results of Operations

Investment Performance

The Chinese economy slowed over the period in response to pandemic-related lockdowns, regulatory uncertainty and a housing market slowdown. Equities declined sharply toward the end of the period, until China indicated it was nearing the end of regulatory reforms. The risk that Chinese companies could be delisted by U.S. stock exchanges, as well as uncertainty about China's stance on the Russian invasion of Ukraine, pressured equity prices lower.

Within the MSCI China A Onshore (Net) Index, energy, real estate and health care were the strongest sectors in Canadian dollar terms in the period, while consumer discretionary, information technology and communication services were the weakest.

Investment performance is not presented because, as at March 31, 2022, the Fund had not yet completed its first full financial year.

Environmental, Social and Governance ("ESG") Impact

One of the main areas of focus in the Fund is companies that produce goods and services aligned with decarbonization. Many of the companies the Fund invests in contribute directly to the development of clean, low-carbon and highly efficient energy infrastructure. According to the government of China's long-term environmental plan, the 2025 target for the proportion of power generated without fossil fuels is approximately 39%, and several of the Fund's holdings are expected to play a key role in achieving this goal.

Net Assets

From its inception on January 24, 2022, to March 31, 2022, the Fund experienced \$0.7 million in net losses (including any interest and/or dividend income) from investment performance, after deducting fees and expenses, and an increase of \$5.0 million due to net securityholder activity (including sales, redemptions and cash distributions).

On April 11, 2022, Mackenzie redeemed an investment of \$4.1 million as new sales to securityholders flowed into the Fund. This activity had no impact on the Fund's net assets.

Fees and Expenses

The annualized management expense ratio ("MER") for each series during the period ended March 31, 2022, is presented in the *Financial Highlights* section of this report.

For each applicable series, the Fund may pay a performance fee, plus applicable taxes, to its sub-advisor, Power Sustainable Investment Management Inc., an affiliate of the Manager. This fee equals 20% of the amount by which the total return of a series outperforms the total return of the MSCI China A Onshore (Net) Index for a calendar year. The fee is calculated and accrued daily when applicable, and paid annually. As at March 31, 2022, no performance fee was payable by the Fund.

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.

Despite the challenges in the period, the portfolio management team is optimistic about China's growth potential and the recovery of its stock market. Because the government targets annual gross domestic product growth of 5.5%, the team anticipates stronger monetary and fiscal supports to boost economic growth in 2022. These policies may include more spending on infrastructure, stronger stimulus of the real estate market and more support to small and medium-sized enterprises through tax rate reductions and rebates.

The team has added companies with smaller capitalizations to the Fund and believes smaller sectors, namely consumer staples, consumer discretionary, financials, health care and communication services, may deliver positive results.

In mid-April, the Chinese yuan started depreciating against the U.S. dollar in response to higher U.S. interest rates. Despite concerns that capital may move out of yuan-denominated assets, the team believes the depreciation will have a limited impact. The team expects Chinese exporters to benefit from a cheaper yuan. The team also believes that as the Chinese economy resumes growth, there will be stronger support for the currency.

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

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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

At March 31, 2022, Mackenzie had an investment of \$4.3 million in the Fund (99.5% of the Fund's NAV). Mackenzie redeemed \$4.1 million of this investment on April 11, 2022 (see *Net Assets*).

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 in the period.

Past Performance

Past performance is not presented because, as at March 31, 2022, the Fund had not yet completed its first full financial year.

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Summary of Investment Portfolio at March 31, 2022

| PORTFOLIO ALLOCATION | % OF NAV |
|---------------------------------|----------|
| Equities | 90.4 |
| Cash and short-term investments | 9.6 |

| REGIONAL ALLOCATION | % OF NAV |
|---------------------------------|----------|
| China | 90.4 |
| Cash and short-term investments | 9.6 |

| SECTOR ALLOCATION | % OF NAV |
|---------------------------------|----------|
| Information technology | 24.8 |
| Industrials | 15.8 |
| Financials | 12.9 |
| Consumer staples | 10.9 |
| Cash and short-term investments | 9.6 |
| Utilities | 7.8 |
| Real estate | 5.7 |
| Consumer discretionary | 5.0 |
| Health care | 4.2 |
| Communication services | 2.3 |
| Materials | 1.0 |

The Fund did not hedge its foreign currency exposure at the end of the period.

| TOP 25 POSITIONS | % OF NAV |
|--|-------------|
| Issuer | |
| Cash and short-term investments | 9.6 |
| China Yangtze Power Co. Ltd. | 7.8 |
| China Merchants Bank Co. Ltd. | 6.0 |
| Inner Mongolia Yili Industrial Group Co. Ltd. | 4.3 |
| China Vanke Co. Ltd. | 4.1 |
| CSPC Pharmaceuticals Group Ltd. | 3.2 |
| SG Micro Corp. | 3.1 |
| Xinyi Solar Holdings Ltd. | 2.8 |
| CITIC Securities Co. Ltd. | 2.8 |
| Shanghai International Airport Co. Ltd. | 2.8 |
| Hangzhou First Applied Material Co. Ltd. | 2.8 |
| Iflytek Co. Ltd. | 2.8 |
| Shenzhen Inovance Technology Co. Ltd. | 2.7 |
| Bank of Ningbo Co. Ltd. | 2.5 |
| Wingtech Technology Co. Ltd. | 2.5 |
| Tongwei Co. Ltd. | 2.5 |
| GoerTek Inc. | 2.4 |
| Shenzhou International Group Holdings Ltd. | 2.4 |
| LONGi Green Energy Technology Co. Ltd. | 2.4 |
| Sungrow Power Supply Co. Ltd. | 2.3 |
| Contemporary Amperex Technology Co. Ltd. | 2.3 |
| Guangdong Haid Group Co. Ltd. | 2.2 |
| Riyue Heavy Industry Co. Ltd. | 2.1 |
| Gigadevice Semiconductor Beijing Inc. | 2.1 |
| Sunny Optical Technology Group Co. Ltd. | 2.1 |
| Top long positions as a percentage of total net asset value | 82.6 |

The Fund held no short positions at the end of the period.

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

| | Mar. 31 2022 |
|---|-----------------|
| Series A | |
| Net assets, beginning of period | 10.00 |
| Increase (decrease) from operations: | |
| Total revenue | – |
| Total expenses | (0.07) |
| Realized gains (losses) for the period | (0.14) |
| Unrealized gains (losses) for the period | (1.16) |
| Total increase (decrease) from operations² | (1.37) |
| Distributions: | |
| From net investment income (excluding Canadian dividends) | – |
| From Canadian dividends | – |
| From capital gains | – |
| Return of capital | – |
| Total annual distributions³ | – |
| Net assets, end of period | 8.63 |
| Series F | |
| Net assets, beginning of period | 10.00 |
| Increase (decrease) from operations: | |
| Total revenue | – |
| Total expenses | (0.05) |
| Realized gains (losses) for the period | (0.48) |
| Unrealized gains (losses) for the period | (1.14) |
| Total increase (decrease) from operations² | (1.67) |
| Distributions: | |
| From net investment income (excluding Canadian dividends) | – |
| From Canadian dividends | – |
| From capital gains | – |
| Return of capital | – |
| Total annual distributions³ | – |
| Net assets, end of period | 8.64 |

| | Mar. 31 2022 |
|---|-----------------|
| Series O | |
| Net assets, beginning of period | 10.00 |
| Increase (decrease) from operations: | |
| Total revenue | – |
| Total expenses | (0.03) |
| Realized gains (losses) for the period | (0.14) |
| Unrealized gains (losses) for the period | (1.16) |
| Total increase (decrease) from operations² | (1.33) |
| Distributions: | |
| From net investment income (excluding Canadian dividends) | – |
| From Canadian dividends | – |
| From capital gains | – |
| Return of capital | – |
| Total annual distributions³ | – |
| Net assets, end of period | 8.67 |
| Series RR | |
| Net assets, beginning of period | 10.00 |
| Increase (decrease) from operations: | |
| Total revenue | – |
| Total expenses | (0.03) |
| Realized gains (losses) for the period | (0.14) |
| Unrealized gains (losses) for the period | (1.16) |
| Total increase (decrease) from operations² | (1.33) |
| Distributions: | |
| From net investment income (excluding Canadian dividends) | – |
| From Canadian dividends | – |
| From capital gains | – |
| Return of capital | – |
| Total annual distributions³ | – |
| Net assets, end of period | 8.67 |

- (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.

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RATIOS AND SUPPLEMENTAL DATA

| Series A | Mar. 31 2022 |
|--|-----------------|
| Total net asset value (\$000) ¹ | 130 |
| Securities outstanding (000) ¹ | 15 |
| Management expense ratio (%) ² | 2.53 |
| Management expense ratio before waivers or absorptions (%) ² | 2.53 |
| Trading expense ratio (%) ³ | 1.63 |
| Portfolio turnover rate (%) ⁴ | n/a |
| Net asset value per security (\$) | 8.63 |

| Series F | Mar. 31 2022 |
|--|-----------------|
| Total net asset value (\$000) ¹ | 24 |
| Securities outstanding (000) ¹ | 3 |
| Management expense ratio (%) ² | 1.11 |
| Management expense ratio before waivers or absorptions (%) ² | 1.11 |
| Trading expense ratio (%) ³ | 1.63 |
| Portfolio turnover rate (%) ⁴ | n/a |
| Net asset value per security (\$) | 8.64 |

| Series O | Mar. 31 2022 |
|--|-----------------|
| Total net asset value (\$000) ¹ | 1 |
| Securities outstanding (000) ¹ | — |
| Management expense ratio (%) ² | — |
| Management expense ratio before waivers or absorptions (%) ² | — |
| Trading expense ratio (%) ³ | 1.63 |
| Portfolio turnover rate (%) ⁴ | n/a |
| Net asset value per security (\$) | 8.67 |

| Series RR | Mar. 31 2022 |
|--|-----------------|
| Total net asset value (\$000) ¹ | 4,201 |
| Securities outstanding (000) ¹ | 485 |
| Management expense ratio (%) ² | — |
| Management expense ratio before waivers or absorptions (%) ² | — |
| Trading expense ratio (%) ³ | 1.63 |
| Portfolio turnover rate (%) ⁴ | n/a |
| Net asset value per security (\$) | 8.67 |

- (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.

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 in part to pay Power Pacific Investment Management Inc., an affiliate of the Manager, for investment advisory services, including managing the investment portfolio of the Fund and/or the underlying fund(s), as applicable, providing investment analysis and recommendations, making investment decisions and making brokerage arrangements for the purchase and sale of the investment portfolio. 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 45% 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. The higher proportion of distribution-related payments is primarily attributable to sales commissions related to gross sales of redemption charge securities of the Fund. Because the Fund is in its first year, the percentage of management fees used to fund such distribution-related payments is not representative.

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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 17, 2022

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

Series F 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; they are also available to employees of Mackenzie and its subsidiaries, and directors of Mackenzie.

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 RR securities are offered only to other funds managed by Mackenzie on a non-prospectus basis in connection with fund-of-fund arrangements.

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

| Series | Inception/ Reinstatement Date | Management Fees | Administration Fees |
|-----------|----------------------------------|------------------|---------------------|
| Series A | January 24, 2022 | 2.00% | 0.28% |
| Series F | January 24, 2022 | 0.85% | 0.15% |
| Series O | January 24, 2022 | — ⁽¹⁾ | —* |
| Series RR | January 24, 2022 | —* | —* |

In addition to the fees in this table, Series A, Series F and Series O may pay a performance fee if certain conditions are met (see *Fees and Expenses*).

* Not applicable.

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