

# MACKENZIE ALTERNATIVE ENHANCED YIELD FUND

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## **Interim Management Report of Fund Performance**

*For the Six-Month Period Ended September 30, 2021*

*This Interim Management Report of Fund Performance contains financial highlights but does not contain either the interim financial report or annual financial statements of the investment fund. You may obtain a copy of the interim financial report or 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](http://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, 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

# MACKENZIE ALTERNATIVE ENHANCED YIELD FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE | For the Period Ended September 30, 2021

## Management Discussion of Fund Performance

November 11, 2021

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 six-month period ended September 30, 2021 (the "period"). If the Fund was established during the period, "period" represents the period since inception.

In this report, "Manager" 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.

This report should be read in conjunction with the annual Management Report of Fund Performance for the year ended March 31, 2021. Please read *A Note on Forward-Looking Statements* on the first page of this document.

## 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 5.9% (after deducting fees and expenses paid by the series). This compares with a return of 1.1% for the Fund's broad-based index, the ICE BofA Global Broad Market (Hedged) Index, and a return of 2.6% for a blended index.\* 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.

The period was characterized by rising commodity prices, supply chain issues and rolling economic interruptions worldwide due to the emergence of the COVID-19 Delta variant. Despite the largest monthly decline of 2021 in September, global equity markets ended the period higher. Accommodative monetary and fiscal policies across Group of Ten ("G10") countries supported economic recovery. A rebound in the prices of higher-risk assets, including high-yield bonds, was supported by demand, given more than US\$14 trillion of negative-yielding debt, and increased confidence in a strong economic rebound.

\* The blended index is composed of a 40% weighting in the ICE BofA Global Broad Market (Hedged) Index (returned 1.1%), a 25% weighting in the MSCI World High Dividend Yield (Net) Index (returned 2.8%), a 15% weighting in the ICE BofA Global High Yield (Hedged) Index (returned 2.6%), a 10% weighting in the MSCI World Infrastructure (Net) Index (returned -0.2%) and a 10% weighting in the FTSE EPRA Nareit Developed REITs Index (returned 10.7%).

Within the MSCI World High Dividend Yield (Net) Index, Israel, the Netherlands and Denmark were the strongest-performing countries in Canadian dollar terms, while Belgium, Spain and Hong Kong were the weakest. The consumer discretionary, energy and financials sectors were the strongest performers, while materials, communication services and real estate were the weakest.

Within the MSCI World Infrastructure (Net) Index, Austria, Finland and Switzerland were the strongest-performing countries in Canadian dollar terms, while Denmark, Italy and Japan were the weakest. The health care and energy sectors were the strongest performers, while communication services and utilities were the weakest.

Within the FTSE EPRA Nareit Developed REITs Index, Belgium, Germany and Canada were the strongest-performing countries in Canadian dollar terms, while Hong Kong, the Netherlands and Ireland were the weakest. Diversified real estate investment trusts ("REITs"), residential REITs and industrial REITs were the strongest sub-industries, while hotel and resort REITs, health care REITs and diversified REITs were the weakest.

The Fund outperformed the broad-based index because of its allocation to equities, which outperformed fixed income in the period. Given the Fund's mandate, the return of the blended index is a more meaningful comparison.

The Fund outperformed the blended index, with stock selection in the equity portfolio contributing to performance.

Within the fixed income portion of the Fund, holdings in corporate bonds contributed to performance.

Within the equity portion of the Fund, stock selection in the communication services and energy sectors contributed to performance. On a country basis, stock selection in the United States and Canada contributed.

Hedging of foreign currency exposure detracted from performance as a result of the overall appreciation of the hedged currencies relative to the Canadian dollar.

Over the period, the portfolio management team increased the Fund's exposure to equities and decreased exposure to fixed income and cash, in order to meet the Fund's target yield. Within the equity portion of the Fund, exposure to the financials and utilities sectors increased. Within the fixed income portion of the Fund, exposure to corporate bonds decreased. These sector changes were a result of the team's quantitative process, which seeks to maintain a well-balanced portfolio of yield-generative asset classes.

### 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.

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The Fund uses conservative amounts of leverage strategically to help fund its yield target and monthly distribution. During the period, the Fund's aggregate exposure to sources of leverage ranged from 27% to 41% of the Fund's NAV. The low end of the range occurred in May 2021 as a result of a large inflow of assets. The high end of the range was reached in July 2021 and represents the typical amount of leverage after the Fund was fully invested. The sources of leverage were cash borrowing, options and futures. Including the notional value of derivatives used for hedging, the low and high amounts of leverage ranged from 36% to 67%.

## Net Assets

The Fund's net assets increased by 97.7% during the period to \$29.0 million. This change was composed primarily of \$1.4 million in net income (including any interest and/or dividend income) from investment performance, after deducting fees and expenses, and an increase of \$12.9 million due to net securityholder activity (including sales, redemptions and cash distributions).

## Fees and Expenses

The annualized management expense ratio ("MER") for each series during the period ended September 30, 2021, was generally similar to the MER for the year ended March 31, 2021. However, the MER for Series FB increased due to changes in its applicable Harmonized Sales Tax rate and the Fund's decreased investment in third party exchange-traded funds. The MER for Series PW decreased because Mackenzie increased waivers on management and/or administration fees. Mackenzie may discontinue the practice of absorbing management and/or administration fees at any time without prior notice to investors. Total expenses paid vary from period to period also as a result of changes in average assets in each series. 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 implementation of vaccination programs, as well as the efficacy of government and central bank monetary and fiscal interventions, may continue to affect the Fund's performance in future periods.

The portfolio management team makes strategic allocations to income-producing asset classes using a quantitative optimization process. This process uses current yield, expected future return, risk and correlations for each asset class as inputs. These are based on historical analysis and the team's expectations for these asset classes in the current environment. Despite having some tactical flexibility, the Fund will always seek to maintain exposure to numerous income-generating asset classes to produce attractive regular income and will generally remain highly diversified.

The Fund is positioned to generate attractive monthly income for investors, with dividend-paying equities, high-yield bonds and term loans contributing most to the current yield of the Fund at period-end. In addition, the Fund makes use of real estate and infrastructure investments, preferred shares and investment grade bonds and uses leverage conservatively in the pursuit of high risk-adjusted, yield-oriented returns.

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 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

Mackenzie is wholly owned by IGM Financial Inc., which in turn is a subsidiary of Power Corp. of Canada. Companies related to Power Corp. of Canada are therefore considered affiliates of Mackenzie. At September 30, 2021, the Fund held the following investment(s) in companies affiliated with Mackenzie: \$0.022 million invested in securities issued by Power Corp. of Canada and \$0.029 million invested in securities issued by Great-West Lifeco Inc. The investment(s) represented 0.2% of the Fund's NAV. In making the investment(s), Mackenzie relied on the approval of the Mackenzie Funds' Independent Review Committee. The Independent Review Committee issued the approval on the basis that the investment(s) would be made in compliance with Mackenzie's policies. Mackenzie's policies are designed to ensure that any related party transaction (i) is made free from any influence by an entity related to Mackenzie and without taking into account any considerations relevant to an entity related to Mackenzie; (ii) represents the business judgment of Mackenzie, uninfluenced by considerations other than the best interests of the Fund; and (iii) achieves a fair and reasonable result for the Fund.

Investment funds managed by Mackenzie may invest in the Fund. Investment funds and/or segregated funds managed by I.G. Investment Management, Ltd. ("IG"), The Canada Life Assurance Company ("Canada Life") and its subsidiary Canada Life Investment Management Limited ("CLIML"), all of which are affiliated with Mackenzie, may also invest in the Fund. All these investments are made on a prospectus-exempt basis in accordance with the investment objectives of those funds. At September 30, 2021, funds managed by Mackenzie owned 41.5% 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.

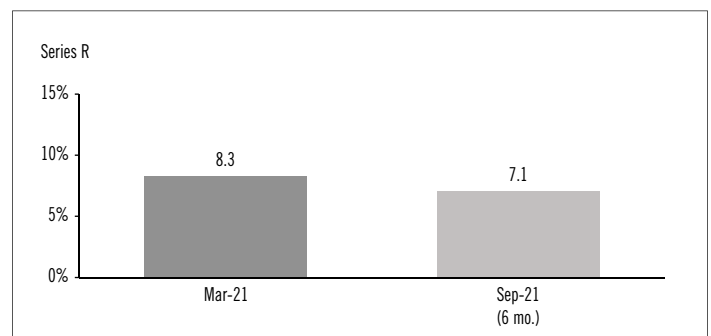
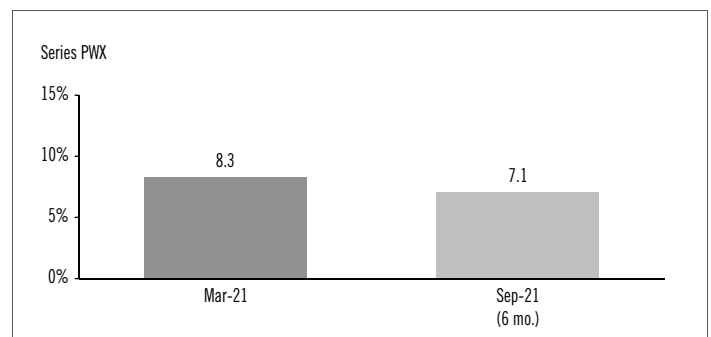
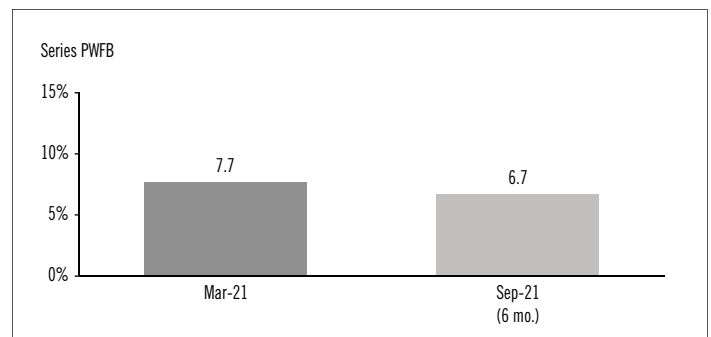
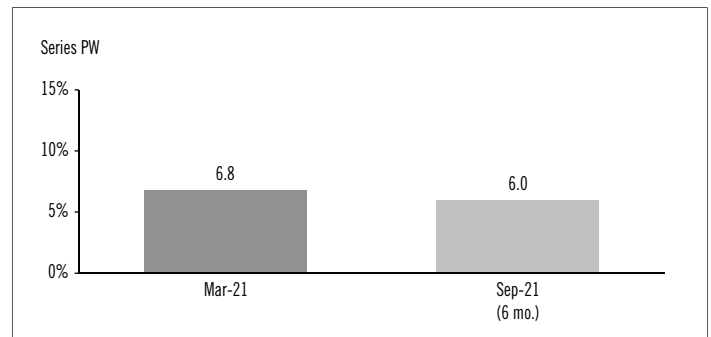
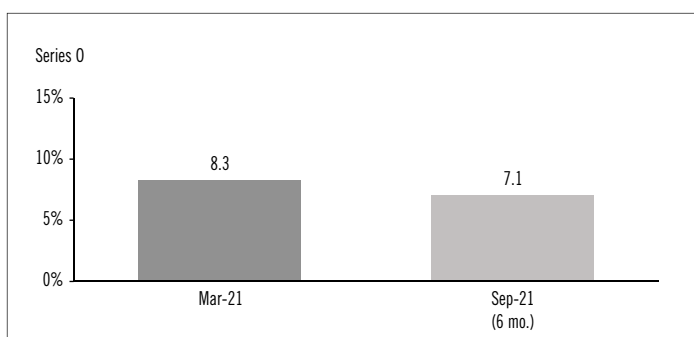
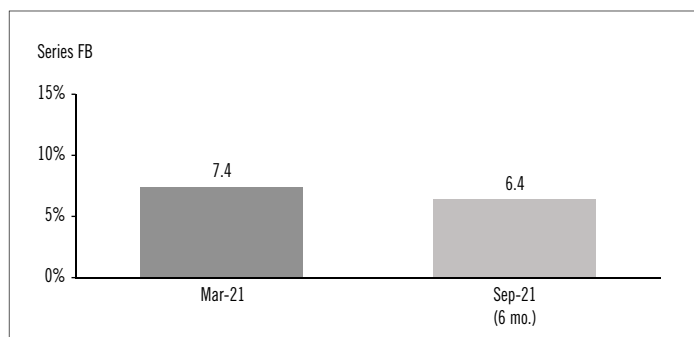
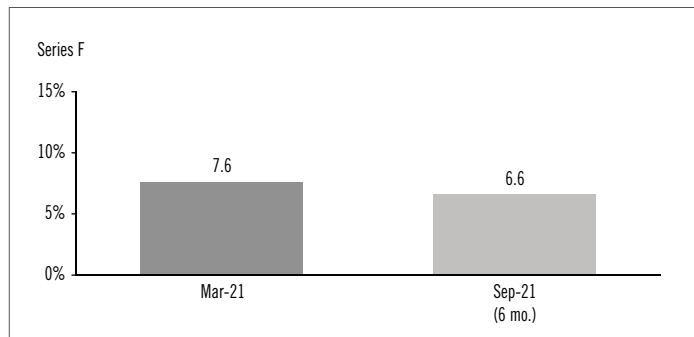
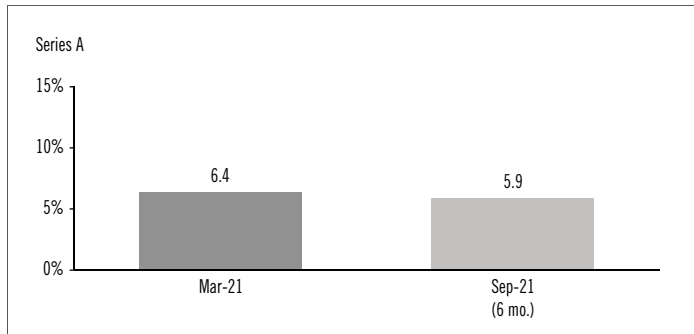
During the period, the Fund received \$24,000 in income distributions from investments in exchange-traded funds ("ETFs") managed by Mackenzie to offset fees paid within those ETFs. There is no assurance that these distributions will continue in the future.

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## Past Performance

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 ALTERNATIVE ENHANCED YIELD FUND

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## Summary of Investment Portfolio at September 30, 2021

<b>Effective Portfolio Allocation</b>	<b>% of NAV</b>
Equities	72.3
Bonds	62.0
<i>Bonds</i>	<i>60.5</i>
<i>Long futures*</i>	<i>1.5</i>
Other assets (liabilities)	1.4
Cash and short-term investments	(35.7)

### **Effective Regional Allocation**

<b>Effective Regional Allocation</b>	<b>% of NAV</b>
United States	93.0
Canada	25.2
Other	5.9
United Kingdom	3.2
Norway	1.8
Other assets (liabilities)	1.4
Netherlands	1.1
Germany	0.6
Mexico	0.6
Luxembourg	0.5
Indonesia	0.4
Saudi Arabia	0.4
China	0.4
Belgium	0.4
Ireland	0.4
Turkey	0.4
Cash and short-term investments	(35.7)

### **Effective Sector Allocation**

<b>Effective Sector Allocation</b>	<b>% of NAV</b>
Corporate bonds	40.7
Financials	36.5
Term loans	15.6
Real estate	10.8
Utilities	6.5
Energy	5.7
Foreign government bonds	4.3
Communication services	3.8
Consumer staples	2.1
Health care	1.9
Industrials	1.8
Information technology	1.5
Federal bonds	1.5
Other assets (liabilities)	1.4
Other	1.0
Materials	0.6
Cash and short-term investments	(35.7)

### **Effective Net Currency Exposure**

<b>Effective Net Currency Exposure</b>	<b>% of NAV</b>
U.S. dollar	54.2
Canadian dollar	40.9
Norwegian krone	1.8
British pound	1.8
Euro	1.0
Swiss franc	0.3

\* Notional values represent 1.5% of NAV for Canadian 10-Year Bond Futures.

The effective allocation shows the portfolio, regional, sector or net currency exposure of the Fund calculated by combining its direct and indirect investments.

## Top 25 Long Positions

<b>Issuer/Underlying Fund</b>	<b>% of NAV</b>
Mackenzie Floating Rate Income ETF	16.9
Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged)	14.5
Mackenzie US High Yield Bond Index ETF (CAD-Hedged)	12.1
SPDR Wells Fargo Preferred Stock ETF	10.6
iShares S&P/TSX Canadian Preferred Share Index Fund ETF	7.5
Vanguard Real Estate ETF	6.9
iShares Mortgage Real Estate ETF	6.7
Vanguard Intermediate-Term Corporate Bond ETF	6.6
Mackenzie Emerging Markets Bond Index ETF (CAD-Hedged)	6.3
Vanguard Long-Term Corporate Bond ETF	5.1
Utilities Select Sector SPDR Fund	3.9
Manulife Financial Corp.	2.6
TELUS Corp.	2.0
Enbridge Inc.	1.9
Ocean Yield ASA	1.8
The Bank of Nova Scotia	1.8
Qualcomm Inc.	1.2
The Blackstone Group Inc.	1.2
Ares Capital Corp.	1.1
UnitedHealth Group Inc.	1.0
Capital Southwest Corp.	1.0
Aviva PLC	0.9
Solar Capital Ltd.	0.9
Bank of Montreal	0.8
Goldman Sachs BDC Inc.	0.7

### **Top long positions as a percentage of total net asset value**

**116.0**

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

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

The investments and percentages may have changed since September 30, 2021, 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 ALTERNATIVE ENHANCED YIELD FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE | For the Period Ended September 30, 2021

## 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

	Sep. 30 2021	Mar. 31 2021
<b>Series A</b>		
Net assets, beginning of period	10.19	10.00
Increase (decrease) from operations:		
Total revenue	0.27	7.42
Total expenses	(0.14)	(0.95)
Realized gains (losses) for the period	0.09	(8.28)
Unrealized gains (losses) for the period	0.18	2.44
<b>Total increase (decrease) from operations²</b>	<b>0.40</b>	<b>0.63</b>
Distributions:		
From net investment income (excluding Canadian dividends)	–	(0.09)
From Canadian dividends	(0.23)	(0.18)
From capital gains	–	–
Return of capital	(0.03)	(0.17)
<b>Total annual distributions³</b>	<b>(0.26)</b>	<b>(0.44)</b>
<b>Net assets, end of period</b>	<b>10.53</b>	<b>10.19</b>
<b>Series F</b>		
Net assets, beginning of period	15.44	15.00
Increase (decrease) from operations:		
Total revenue	0.43	0.73
Total expenses	(0.11)	(0.19)
Realized gains (losses) for the period	0.25	0.41
Unrealized gains (losses) for the period	0.28	0.24
<b>Total increase (decrease) from operations²</b>	<b>0.85</b>	<b>1.19</b>
Distributions:		
From net investment income (excluding Canadian dividends)	–	(0.16)
From Canadian dividends	(0.39)	(0.34)
From capital gains	–	–
Return of capital	–	(0.17)
<b>Total annual distributions³</b>	<b>(0.39)</b>	<b>(0.67)</b>
<b>Net assets, end of period</b>	<b>16.07</b>	<b>15.44</b>

	Sep. 30 2021	Mar. 31 2021
<b>Series FB</b>		
Net assets, beginning of period	15.41	15.00
Increase (decrease) from operations:		
Total revenue	0.46	0.80
Total expenses	(0.15)	(0.22)
Realized gains (losses) for the period	0.36	0.25
Unrealized gains (losses) for the period	0.30	0.26
<b>Total increase (decrease) from operations²</b>	<b>0.97</b>	<b>1.09</b>
Distributions:		
From net investment income (excluding Canadian dividends)	–	(0.15)
From Canadian dividends	(0.39)	(0.31)
From capital gains	–	–
Return of capital	–	(0.21)
<b>Total annual distributions³</b>	<b>(0.39)</b>	<b>(0.67)</b>
<b>Net assets, end of period</b>	<b>16.00</b>	<b>15.41</b>
<b>Series O</b>		
Net assets, beginning of period	15.53	15.00
Increase (decrease) from operations:		
Total revenue	0.47	0.80
Total expenses	(0.04)	(0.09)
Realized gains (losses) for the period	0.36	0.26
Unrealized gains (losses) for the period	0.30	0.26
<b>Total increase (decrease) from operations²</b>	<b>1.09</b>	<b>1.23</b>
Distributions:		
From net investment income (excluding Canadian dividends)	–	(0.19)
From Canadian dividends	(0.39)	(0.40)
From capital gains	–	–
Return of capital	–	(0.10)
<b>Total annual distributions³</b>	<b>(0.39)</b>	<b>(0.69)</b>
<b>Net assets, end of period</b>	<b>16.23</b>	<b>15.53</b>

(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 unaudited interim financial statements and 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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## THE FUND'S NET ASSETS PER SECURITY (\$)¹ (cont'd)

	Sep. 30 2021	Mar. 31 2021
<b>Series PW</b>		
<b>Net assets, beginning of period</b>	15.34	15.00
<b>Increase (decrease) from operations:</b>		
Total revenue	0.44	0.79
Total expenses	(0.20)	(0.30)
Realized gains (losses) for the period	0.20	0.25
Unrealized gains (losses) for the period	0.29	0.26
<b>Total increase (decrease) from operations²</b>	0.73	1.00
<b>Distributions:</b>		
From net investment income (excluding Canadian dividends)	–	(0.13)
From Canadian dividends	(0.37)	(0.26)
From capital gains	–	–
Return of capital	(0.02)	(0.27)
<b>Total annual distributions³</b>	(0.39)	(0.66)
<b>Net assets, end of period</b>	15.87	15.34
	Sep. 30 2021	Mar. 31 2021
<b>Series PWFB</b>		
<b>Net assets, beginning of period</b>	15.45	15.00
<b>Increase (decrease) from operations:</b>		
Total revenue	0.46	0.80
Total expenses	(0.10)	(0.17)
Realized gains (losses) for the period	0.37	0.24
Unrealized gains (losses) for the period	0.30	0.26
<b>Total increase (decrease) from operations²</b>	1.03	1.13
<b>Distributions:</b>		
From net investment income (excluding Canadian dividends)	–	(0.16)
From Canadian dividends	(0.39)	(0.34)
From capital gains	–	–
Return of capital	–	(0.18)
<b>Total annual distributions³</b>	(0.39)	(0.68)
<b>Net assets, end of period</b>	16.10	15.45

	Sep. 30 2021	Mar. 31 2021
<b>Series PWX</b>		
<b>Net assets, beginning of period</b>	15.53	15.00
<b>Increase (decrease) from operations:</b>		
Total revenue	0.47	0.80
Total expenses	(0.04)	(0.09)
Realized gains (losses) for the period	0.36	0.25
Unrealized gains (losses) for the period	0.30	0.26
<b>Total increase (decrease) from operations²</b>	1.09	1.22
<b>Distributions:</b>		
From net investment income (excluding Canadian dividends)	–	(0.19)
From Canadian dividends	(0.39)	(0.40)
From capital gains	–	–
Return of capital	–	(0.10)
<b>Total annual distributions³</b>	(0.39)	(0.69)
<b>Net assets, end of period</b>	16.23	15.53
	Sep. 30 2021	Mar. 31 2021
<b>Series R</b>		
<b>Net assets, beginning of period</b>	10.38	10.00
<b>Increase (decrease) from operations:</b>		
Total revenue	0.31	0.53
Total expenses	(0.03)	(0.06)
Realized gains (losses) for the period	0.25	0.17
Unrealized gains (losses) for the period	0.20	0.18
<b>Total increase (decrease) from operations²</b>	0.73	0.82
<b>Distributions:</b>		
From net investment income (excluding Canadian dividends)	–	(0.14)
From Canadian dividends	(0.26)	(0.30)
From capital gains	–	–
Return of capital	–	–
<b>Total annual distributions³</b>	(0.26)	(0.44)
<b>Net assets, end of period</b>	10.85	10.38

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## RATIOS AND SUPPLEMENTAL DATA

	Sep. 30 2021	Mar. 31 2021
<b>Series A</b>		
Total net asset value (\$000) <sup>1</sup>	116	4
Securities outstanding (000) <sup>1</sup>	11	–
Management expense ratio (%) <sup>2</sup>	2.33	2.34
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	2.71	3.06
Trading expense ratio (%) <sup>3</sup>	0.25	0.70
Portfolio turnover rate (%) <sup>4</sup>	40.15	n/a
Net asset value per security (\$)	10.53	10.19

	Sep. 30 2021	Mar. 31 2021
<b>Series F</b>		
Total net asset value (\$000) <sup>1</sup>	16,797	3,129
Securities outstanding (000) <sup>1</sup>	1,045	203
Management expense ratio (%) <sup>2</sup>	0.99	0.99
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	1.36	1.51
Trading expense ratio (%) <sup>3</sup>	0.25	0.70
Portfolio turnover rate (%) <sup>4</sup>	40.15	n/a
Net asset value per security (\$)	16.07	15.44

	Sep. 30 2021	Mar. 31 2021
<b>Series FB</b>		
Total net asset value (\$000) <sup>1</sup>	1	1
Securities outstanding (000) <sup>1</sup>	–	–
Management expense ratio (%) <sup>2</sup>	1.37	1.30
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	1.58	1.93
Trading expense ratio (%) <sup>3</sup>	0.25	0.70
Portfolio turnover rate (%) <sup>4</sup>	40.15	n/a
Net asset value per security (\$)	16.00	15.41

	Sep. 30 2021	Mar. 31 2021
<b>Series O</b>		
Total net asset value (\$000) <sup>1</sup>	1	1
Securities outstanding (000) <sup>1</sup>	–	–
Management expense ratio (%) <sup>2</sup>	0.14	0.10
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	0.35	0.72
Trading expense ratio (%) <sup>3</sup>	0.25	0.70
Portfolio turnover rate (%) <sup>4</sup>	40.15	n/a
Net asset value per security (\$)	16.23	15.53

	Sep. 30 2021	Mar. 31 2021
<b>Series PW</b>		
Total net asset value (\$000) <sup>1</sup>	10	1
Securities outstanding (000) <sup>1</sup>	1	–
Management expense ratio (%) <sup>2</sup>	2.14	2.22
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	2.49	2.84
Trading expense ratio (%) <sup>3</sup>	0.25	0.70
Portfolio turnover rate (%) <sup>4</sup>	40.15	n/a
Net asset value per security (\$)	15.87	15.34

	Sep. 30 2021	Mar. 31 2021
<b>Series PWFB</b>		
Total net asset value (\$000) <sup>1</sup>	1	1
Securities outstanding (000) <sup>1</sup>	–	–
Management expense ratio (%) <sup>2</sup>	1.15	1.10
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	1.36	1.72
Trading expense ratio (%) <sup>3</sup>	0.25	0.70
Portfolio turnover rate (%) <sup>4</sup>	40.15	n/a
Net asset value per security (\$)	16.10	15.45

	Sep. 30 2021	Mar. 31 2021
<b>Series PWX</b>		
Total net asset value (\$000) <sup>1</sup>	1	1
Securities outstanding (000) <sup>1</sup>	–	–
Management expense ratio (%) <sup>2</sup>	0.14	0.10
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	0.35	0.72
Trading expense ratio (%) <sup>3</sup>	0.25	0.70
Portfolio turnover rate (%) <sup>4</sup>	40.15	n/a
Net asset value per security (\$)	16.23	15.53

- (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, income taxes and withholding taxes) 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 ALTERNATIVE ENHANCED YIELD FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE | For the Period Ended September 30, 2021

## RATIOS AND SUPPLEMENTAL DATA (cont'd)

Series R	Sep. 30 2021	Mar. 31 2021
Total net asset value (\$000) <sup>1</sup>	12,031	11,507
Securities outstanding (000) <sup>1</sup>	1,109	1,109
Management expense ratio (%) <sup>2</sup>	0.14	0.10
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	0.35	0.28
Trading expense ratio (%) <sup>3</sup>	0.25	0.70
Portfolio turnover rate (%) <sup>4</sup>	40.15	n/a
Net asset value per security (\$)	10.85	10.38

## 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 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 1% 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 ALTERNATIVE ENHANCED YIELD FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE | For the Period Ended September 30, 2021

## 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 April 17, 2020

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](http://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 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	June 11, 2020	1.85%	0.24%
Series F	June 11, 2020	0.75%	0.15%
Series FB	June 11, 2020	0.85%	0.24%
Series O	June 11, 2020	— <sup>(1)</sup>	—*
Series PW	June 11, 2020	1.75%	0.15%
Series PWFB	June 11, 2020	0.75%	0.15%
Series PWX	June 11, 2020	— <sup>(2)</sup>	— <sup>(2)</sup>
Series R	June 11, 2020	—*	—*

\* 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.