

MACKENZIE MULTI-STRATEGY ABSOLUTE RETURN FUND

Series F | Monthly commentary | August 2020



MACKENZIE
Investments

INVESTMENT STRATEGY & HIGHLIGHTS

Alternative mutual funds may use leverage and shorting to isolate and magnify alternative risk premia, factor exposures, alpha sources, and reduce the influence of traditional market beta on performance. Mackenzie Multi-Strategy Absolute Return Fund combines numerous independent alternative strategies according to a structured risk budgeting framework to create a well-diversified portfolio that aims to offer an attractive expected return over a market cycle with low volatility and low beta exposure to global equity markets. This combination of strategies may provide a stabilizing influence on a traditional portfolio, especially when broad equity and fixed income markets are challenged.

FUND SNAPSHOT

As of August 31, 2020

| | |
|-------------------|-------------------------------------|
| Inception | 23-May-18 |
| Benchmark | FTSE TMX Canada 91-Day T-Bill Index |
| AUM | \$ 177,229,234 |
| Management Fee | 1.00% |
| *MER | 1.30% |
| Performance Fee | None |
| Redemption Notice | None |
| Min. Investment | \$500 |
| NAVPU | \$ 8.96 |

*Pro Forma Estimate

RISK TOLERANCE

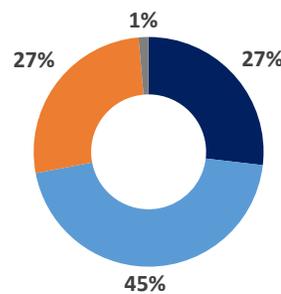
| | | |
|-----|----------|------|
| Low | Moderate | High |
|-----|----------|------|

PERFORMANCE & PORTFOLIO ANALYSIS

Monthly Performance Net of Fees (Series F, %)

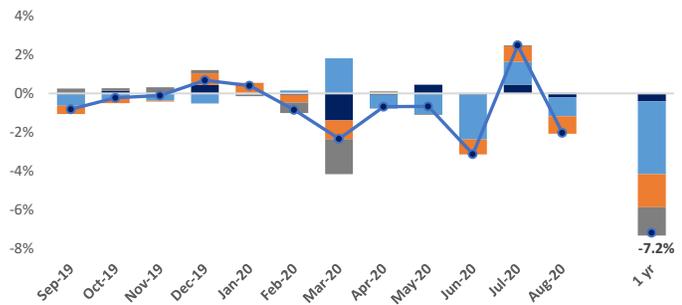
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD | SI (Ann.) |
|------|------|-------|-------|-------|-------|-------|------|-------|-------|-------|-------|-------|-------|-----------|
| 2020 | 0.4% | -0.9% | -2.3% | -0.7% | -0.7% | -3.1% | 2.5% | -2.0% | | | | | -6.7% | -2.8% |
| 2019 | 0.5% | -0.5% | 1.2% | -0.6% | -0.6% | 2.1% | 0.9% | 0.5% | -0.8% | -0.2% | -0.1% | 0.7% | 3.1% | |
| 2018 | | | | | 0.0% | -0.2% | 0.3% | -0.3% | 0.2% | -1.4% | -1.1% | -0.1% | -2.5% | |

STRATEGY SLEEVE ALLOCATION



■ Global Macro ■ Equity Market Neutral ■ Absolute Return Fixed Inc. ■ Risk Management Overlay ● MSAR Total Fund

NET 1 YR RETURN CONTRIBUTION BY STRATEGY SLEEVE



STRATEGY SLEEVE ESTIMATED NET CONTRIBUTION TO MONTHLY RETURN

As of August 31, 2020

| | |
|------------------------------|-------|
| Global Macro | -0.2% |
| Equity Market Neutral | -1.0% |
| Absolute Return Fixed Income | -0.9% |
| Risk Management Overlay | 0.0% |
| Total (net of series F fees) | -2.0% |

PORTFOLIO STATS SERIES F

As of August 31, 2020

| | |
|---|-------|
| Total Return (Ann. Since Inception) | -2.8% |
| Standard Deviation (Ann. Since Inception) | 4.4% |
| Target Volatility Range | 5-9% |
| *Value at Risk | -2.9% |
| Leverage | 1.4X |

*The maximum loss anticipated over a one-month period with 99% confidence, based on realized standard deviation, assuming a normal distribution.

PORTFOLIO CHARACTERISTICS

As of August 31, 2020

| | |
|----------------------|------|
| Equity Exposure | 6% |
| *Gross Exposure | 206% |
| Gross Notional Long | 119% |
| Gross Notional Short | 87% |

*This exposure measure does not take hedging activities into consideration.

GLOBAL MARKET HIGHLIGHTS

In August the MSCI World returned +6.3% (local-currency terms). Bonds posted negative returns as the BBgBarc Global Aggregate Bond Index earned -0.7% in local currency terms and the Canada Universe Bond Index was down -1.1%. Oil ended the month up +5.0% and gold was down -0.4%, both in USD terms. The USD depreciated -2.7% vs. the CAD. Other developed market currencies also gave back value relative to the CAD including the JPY (-2.8%), GBP (-0.6%) and EUR (-1.4%).

MSARF HIGHLIGHTS

One month after posting its strongest monthly return since inception, MSARF returned -2.0% for the month of August net of Series F fees. Global Macro was our top performing sleeve this month, although all three sub strategies were negative. More details on each component are in the sections that follow.

GLOBAL MACRO

Net equity exposure in the strategy is down since July month end and it remains well below levels we had in 2019. Equities appear expensive on a stand-alone basis but relative to other asset classes they remain attractive. Historically low bond yields have compressed the discount rate used to value these businesses, which we believe accounts for higher price-to-earnings multiples. Sentiment is also constructive as the market just experienced its 5th consecutive month of positive returns, boosting the S&P 500 and MSCI World's YTD, and rolling one-year returns further into positive territory. The macro perspective however continues to limit our optimism as the recovery of the real economy has lagged that of the stock market by a wide margin and that gap continues to grow. Net long exposure to government bonds is down month over month and significantly below levels we had in Q2. While bond yields have declined year to date, the yield curve has steepened. Long-term bonds provide a premium over cash rates, which helps to justify a moderate allocation.

FX trading continues to hold a significant share of the global macro risk budget as several themes including value in certain emerging market currencies and momentum in certain cyclical currencies are presenting compelling long/short trading opportunities for the Fund. The largest positions in contribution to risk space include being long the New Zealand dollar and Swedish krona, and Short the Norwegian kroner.

MACKENZIE MULTI-STRATEGY ABSOLUTE RETURN FUND

Top 5 long and short exposures by asset class.
Weights are in notional terms as % of total Fund.
August 31, 2020

| COMMODITIES | |
|------------------|-------|
| GOLD | 1.6% |
| WHEAT | 0.2% |
| CRUDE OIL FUTURE | 0.2% |
| CORN | 0.1% |
| COPPER | 0.1% |
| HEATING OIL | -0.0% |
| LEAD | -0.1% |
| SOYBEAN MEAL | -0.2% |
| WHEAT | -0.2% |
| ZINC | -0.2% |

| CURRENCY | |
|--------------------|-------|
| US DOLLAR | 12.8% |
| NEW ZEALAND DOLLAR | 5.1% |
| SWEDISH KRONA | 4.5% |
| BRAZILIAN REAL | 2.8% |
| POLISH ZLOTY | 2.0% |
| SINGAPORE DOLLAR | -3.0% |
| KOREAN WON | -3.2% |
| JAPANESE YEN | -3.5% |
| NORWEGIAN KRONE | -4.2% |
| ISRAELI SHEKEL | -4.4% |

| FIXED INCOME MARKETS | |
|---|-------|
| US 10YR NOTE | 24.4% |
| ISHARES 0-5 YEAR HIGH YIELD CORP | 20.0% |
| AUSTRALIAN 10YR BOND | 16.5% |
| ISHARES IBOXX HIGH YIELD CORP. BOND ETF | 15.5% |
| INVESTMENT GRADE BOND | 9.5% |
| MACKENZIE US INVESTMENT GRADE | -0.0% |
| SPDR BLOOMBERG BARCLAYS CONV. SEC. ETF. | -0.3% |
| FRENCH 10YR BOND | -0.7% |
| BRITISH GILT FUTURE | -1.7% |
| ITALIAN 10YR BOND | -2.2% |

| EQUITY MARKETS | |
|-----------------------------------|-------|
| S&P500 | 3.1% |
| MSCI EMERGING MARKETS INDEX | 0.6% |
| HANG SENG CHINA ENTERPRISES INDEX | 0.4% |
| NASDAQ EQUITY FUTURE | 0.2% |
| ITALIAN EQUITY | 0.2% |
| FRENCH EQUITY FUTURE | -0.1% |
| FTSE 100 INDEX | -0.2% |
| AUSTRALIAN EQUITY FUTURE | -0.2% |
| SWEDISH EQUITY | -0.3% |
| SWISS MARKET FUTURE | -0.4% |

| EQUITY SINGLE NAMES | |
|----------------------------|-------|
| PDC ENERGY INC. | 1.4% |
| MARATHON PETROLEUM CORP. | 1.3% |
| ARC Resources Ltd. | 1.2% |
| WILLIAMS COS INC. | 1.1% |
| Parsely Energy Inc. | 1.1% |
| Continental Resources Inc. | -0.9% |
| ENBRIDGE INC. | -0.9% |
| CHEVRON CORP. | -1.0% |
| Inter Pipeline Ltd. | -1.0% |
| Ovintiv Inc. | -1.1% |

EQUITY MARKET NEUTRAL

After putting up strong positive returns in July, our collection of market neutral equity strategies gave back some returns in August. Our systematic alpha strategies detracted on the month as long/short stock selection in the Technology, Consumer Discretionary and Utilities sectors detracted. Our long/short market neutral factor strategy was down on the month as the momentum and low volatility factors underperformed.

The top contributor on the month was our opportunistic, fundamental style energy sector strategy which earned positive returns. Readers will recall the collapse in oil prices earlier this year led to much volatility and dispersion in the sector. It was an ideal environment in which to generate alpha from short stock selection which helped this strategy deliver double digit returns in the month of March. In August performance was driven by continued net long exposure to natural gas producers which outperformed other segments of the energy industry.

ABSOLUTE RETURN FIXED INCOME

Our absolute return fixed income sleeve contains a strategy that allocates to different areas of the fixed income universe based on relative momentum. In March and for most of Q2, the strategy resided almost entirely in government bond futures, but in June the strategy added back exposure to EM credit, floating rate loans, high yield, and investment grade bonds as positive momentum returned to these asset classes. Since then the strategy has benefited from some credit spread tightening but long exposure to government bonds detracted in August as rates on longer dated sovereign bonds ticked up.

The sleeve also contains a fundamentally driven portfolio of long and short credits that has been very active throughout the pandemic. For example: Back in April, the fixed income team was actively adding risk as they felt the selloff had run its course in several parts of the market, especially given extraordinary support from central banks around the world. However, the team continued to believe that the 'real' economic recovery post-COVID would be muted, notwithstanding inflating valuations from central bank intervention. Considering that, they expected oil prices would face headwinds because of the immense real demand destruction caused by lockdowns, leading WTI to remain range-bound at a much lower level (around \$40/bbl) than pre-COVID (\$50-60/bbl). In the new target price range, energy producers are heavily incentivized to cut capex as much as possible to remain cash flow neutral or positive, which disproportionately hurts energy servicers. While the macro picture on oil has played out as expected, Halliburton has outperformed somewhat due to surprise cost savings and a bullish Q3 outlook that is turning out to be overenthusiastic, creating an opportunity to short the position. Given the outlook that energy producers should outperform servicers, the producer Concho (with a top tier asset base) was chosen as an offsetting long position.

RISK MANAGEMENT OVERLAY

The risk management overlay exists to tie the three independently managed strategies together in a cohesive fashion to achieve the overall Fund's objectives. From time to time it will adjust the funds exposures for risk management purposes. In August it did not contribute to or detract from MSARF returns.

PORTFOLIO MANAGEMENT TEAMS



Nelson Arruda, M.Fin., M.Sc, CFA

Senior Vice President,
Portfolio Manager, Team Co-Lead
Mackenzie Multi-Asset
Strategies Team
Investment experience since 2009



Todd Mattina, Ph.D.

Senior Vice President,
Portfolio Manager, Team Co-Lead
Mackenzie Multi-Asset
Strategies Team
Investment experience since 2001



Michael Kapler, MMF, CFA
Portfolio Manager

Mackenzie Multi-Asset
Strategies Team
Investment experience since 1998



Richard Weed, CFA
Senior Vice President,
Portfolio Manager, Head of Team

Mackenzie Systematic
Strategies Team
Investment experience since 1992



Benoit Gervais, M.Sc, CFA
Senior Vice President,
Portfolio Manager, Head of Team
Mackenzie Resource Team
Investment experience since 2001



Steve Locke, MBA, CFA
Senior Vice President,
Portfolio Manager, Head of Team
Mackenzie Fixed Income Team
Investment experience since 1995

GLOSSARY OF TERMS

Risk Premium: The amount by which the return of a risky asset is expected to outperform the return of a short term (typically 3-month) risk-free government bond.

Factor Exposures: Asset attributes and sensitivities that can be systematically identified and expected to cause return variations within and among asset classes. Economic factors include economic growth and inflation. Style factors include valuations, asset quality, asset price volatility and momentum.

Alpha: The return achieved by an investment strategy linked to its ability to successfully forecast return differentials in-between assets for idiosyncratic (individual asset specific) reasons (not linked to asset class risk premia or systematically identifiable factor exposures).

Market Beta: The risk and return associated with a broad global equity portfolio, diversified of any stock specific risk factors.

Standard Deviation: A measure of the variability of returns that have occurred relative to the average return. The higher the standard deviation, the greater is the range of returns that has been experienced. Standard deviation is commonly used as a measure of risk.

Contribution to Risk: The percentage contribution to expected portfolio risk, after accounting for individual asset standard deviations and cross correlations.

Value at Risk: The maximum loss anticipated over a one-month period with 99% confidence, based on realized standard deviation, assuming a normal distribution.

Disclaimer:

Commissions, trailing commissions, management fees, and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rate[s] of return is [are] the historical annual compounded total return[s] as of **August 31, 2020** including changes in [share or unit] value and reinvestment of all [dividends or distributions] and does [do] not take into account sales, redemption, distribution, or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated.

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There can be no assurance that the Fund's return or volatility targets will be met or met over any particular time horizon. Targeted returns and volatility should be evaluated over the time period indicated and not over shorter periods. Targeted returns are not actual performance and should not be relied upon as an indication of actual or future performance.