

Offering Series A, F, FB, O, PW, PWFB and PWX units

ALTERNATIVE FUND

Mackenzie Multi-Strategy Absolute Return Fund

Please see the footnotes on the inside of the front cover for footnote details.

No securities regulatory authority has expressed an opinion about these units and it is an offence to claim otherwise. The Fund and the units of the Fund offered under this simplified prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.



MACKENZIE
Investments

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PART A: GENERAL DISCLOSURE

INTRODUCTION

This simplified prospectus contains selected important information to help you make an informed decision about investing in the fund listed on the cover (a “**Fund**”).

It is important that you select the appropriate series in which to invest, in order to properly address your personal circumstances and investment needs.

This simplified prospectus will help you understand your rights as an investor in the Fund.

To make this document easier to read and understand, we have used personal pronouns throughout much of the text. References to “**Mackenzie Investments**”, “**Mackenzie**”, “**our**”, “**we**” or “**us**” generally refer to Mackenzie Financial Corporation in its capacity as trustee and manager of the Fund. References to “**you**” are directed to the reader as a potential or actual investor in the Fund.

In this document we refer to “**financial advisors**” and “**dealers**”. The financial advisor is the individual with whom you consult for investment advice and the dealer is the company or partnership that employs your financial advisor and may include, at our discretion, a company or partnership that has received an exemption from the dealer registration requirements from the Canadian securities regulators.

In this document, all of the mutual funds that we manage, including the Fund, are referred to, collectively, as the “**Mackenzie Funds**” or, each individually, as a “**Mackenzie Fund**”. Not all Mackenzie Funds are offered under this simplified prospectus. The Fund is a mutual fund which is subject to National Instrument 81-102 *Investment Funds* (“**NI-81-102**”).

This simplified prospectus contains information about the Fund, including the series that comprise the Fund, and the risks of investing in mutual funds generally.

This document is divided into two parts:

- **Part A**, from pages 1 to 22, contains general information about all Mackenzie Funds.
- **Part B**, from pages 23 to 29, contains specific information about the Fund described in this document.

Additional information about the Fund is available in the following documents:

- the annual information form;
- the most recently filed fund facts;
- the most recently filed annual financial statements;
- any interim financial reports filed after those annual financial statements;
- the most recently filed annual management report of fund performance; and

- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as a part of this document. You can get a copy of these documents at your request, and at no cost, by calling us toll-free at **1-800-387-0614**, e-mailing us at **service@mackenzieinvestments.com** or from your financial advisor.

These documents are available on our website at **www.mackenzieinvestments.com** and are also available on the website of SEDAR at **www.sedar.com**.

WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?

What is a Mutual Fund?

A mutual fund is a pool of money contributed by people with similar investment objectives. Investors share the fund’s income and expenses, and also the gains and losses that the fund makes on its investments, in proportion to their investment in the fund.

The Fund was established as a unit trust and issues units to investors.

Please refer to the front cover of this simplified prospectus, or to the specific information about the Fund in Part B, for the series that are available for the Fund pursuant to this document. The Fund may also offer series which are only available on an exempt-distribution basis. The different series of units available under this simplified prospectus are described under the heading “**Purchases, Switches and Redemptions**”. We may offer additional series of units of the Fund in the future without notification to, or approval of, investors.

WHAT ARE THE GENERAL RISKS OF INVESTING IN A MUTUAL FUND?

A mutual fund may own many different types of investments – stocks, bonds, securities of other mutual funds, derivatives, cash – depending on the fund’s investment objectives. The values of these investments vary from day to day, reflecting changes in interest rates, economic conditions, stock market developments and individual company news. As a result, a mutual fund’s net asset value (“**NAV**”) will go up and down on a daily basis, and the value of your investment in a mutual fund may be more, or less, when you redeem it than when you purchased it.

We do not guarantee that the full amount of your original investment in a Fund will be returned to you. Unlike bank accounts or guaranteed investment certificates, mutual fund securities are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Under exceptional circumstances, mutual funds may suspend redemptions. Please see the heading “**Purchases, Switches and Redemptions**” for more details.

The Fund is considered an “alternative fund” meaning it has received exemptions from NI 81-102 to permit it to use strategies generally prohibited by conventional mutual funds, such as the ability to invest more than 10% of its net asset value in securities of a single issuer; the ability to invest up to 100% or more of its net asset value in physical commodities either directly or through the use of specified derivatives; borrow, up to 50% of its net asset value, cash to use for investment purposes; sell, up to 50% of its net asset value, securities short (the combined level of cash borrowing and short selling is limited to 50% in aggregate); and leverage up to 300% of its net asset value; among other things. For more information regarding the risks associated with these strategies, please see “**Concentration Risk**”, “**Commodity Risk**”, “**Derivatives Risk**”, “**Leverage Risk**” and “**Short Selling Risk**” below.

Mutual funds are subject to a variety of risks. These risks may cause you to lose money on your mutual fund investment. This section provides a list of the risks of investing in mutual funds. The risks that apply to the Fund offered by this simplified prospectus are listed under the sub-heading “**What are the Risks of Investing in the Fund?**” for the Fund described in Part B. To the extent that a Fund invests, directly or indirectly, in another mutual fund, the risks of investing in that Fund are similar to the risks of investing in the other mutual fund in which such Fund invests.

Commodity Risk

A mutual fund may invest in commodities or in companies engaged in commodity-focused industries and may obtain exposure to commodities using derivatives or by investing in exchange-traded funds, the underlying interests of which are commodities. Commodity prices can fluctuate significantly in short time periods, which will have a direct or indirect impact on the value of such a mutual fund. The Fund is permitted to invest up to 100% of its net asset value in physical commodities as further described under the sub-heading “**Alternative Fund Investment Relief**” of the “**Exemptions from NI 81-102**” heading in Part B of this simplified prospectus.

Company Risk

Equity investments, such as stocks and investments in trusts, and fixed-income investments, such as bonds, carry several risks that are specific to the company that issues the investments. A number of factors may cause the price of these investments to fall. These factors include specific developments relating to the company, conditions in the market where these investments are traded, and general economic, financial and political conditions in the countries where the company operates. While these factors impact all securities issued by a company, the values of equity securities generally tend to change more frequently and vary more widely than fixed-income securities. As a mutual fund’s NAV is based on the value of its portfolio securities, an overall decline in the value of portfolio securities that it holds will reduce the value of the mutual fund and, therefore, the value of your investment.

Concentration Risk

A mutual fund may invest a large portion of its net assets in a small number of issuers, in a particular industry or geographic region, or

may use a specific investment style, such as growth or value. A relatively high concentration of assets in or exposure to a single issuer, or a small number of issuers, may reduce the diversification of a mutual fund and may result in increased volatility in the mutual fund’s NAV. Issuer concentration may also increase the illiquidity of the mutual fund’s portfolio if there is a shortage of buyers willing to purchase those securities.

A mutual fund concentrates on a style or sectors either to provide investors with more certainty about how the mutual fund will be invested or the style of the mutual fund or because a portfolio manager believes that specialization increases the potential for good returns. If the issuer, industry or region faces difficult economic times or if the investment approach used by such mutual fund is out of favour, the mutual fund will likely lose more than it would if it diversified its investments or style. If a mutual fund’s investment objectives or strategies require concentration, it may continue to suffer poor returns over a prolonged period of time.

The Fund is subject to increased concentration risk as it is permitted to invest up to 20% of its net asset value in the securities of a single issuer. For more information please refer to the “**Investment Strategies**” section in Part B of this simplified prospectus.

Convertible Securities Risk

Convertible securities are fixed-income securities, preferred stocks or other securities that are convertible into common stock or other securities. The market value of convertible securities tends to decline as interest rates increase and, conversely, to increase as interest rates decline. A convertible security’s market value, however, tends to reflect the market price of the issuer’s common stock when that price approaches or exceeds the convertible security’s “conversion price”. The conversion price is defined as the predetermined price at which the convertible security could be exchanged for the associated stock. As the market price of the common stock declines, the price of the convertible security tends to be influenced more by the yield of the convertible security. Thus, it may not decline in price to the same extent as the underlying common stock.

In the event of a liquidation of the issuing company, holders of convertible securities would be paid before the company’s common stockholders but after holders of any senior debt obligations of the company. Consequently, the issuer’s convertible securities generally entail less risk than its common stock but more risk than its senior debt obligations.

Credit Risk

An issuer of a bond or other fixed-income investment, including asset-backed securities, may not be able to pay interest or to repay the principal at maturity. The risk of such a failure to pay is known as credit risk. Some issuers have more credit risk than others. Issuers with higher credit risk typically pay higher interest rates than interest rates paid by issuers with lower credit risk because higher credit risk companies expose investors to a greater risk of loss. Credit risk can increase or decline during the term of the fixed-income investment.

Companies, governments and other entities, including special purpose vehicles that borrow money, and the debt securities they issue, are assigned credit ratings by specialized rating agencies such as Dominion Bond Rating Service Limited (“DBRS”) and Standard & Poor’s Corporation (“S&P”). The ratings are a measure of credit risk and take into account many factors, including the value of any collateral underlying a fixed-income investment. Issuers with low or no ratings typically pay higher yields, but can subject investors to substantial losses. Credit ratings are one factor used by the portfolio managers of the mutual funds in making investment decisions. A credit rating may prove to be wrong, which can lead to unanticipated losses on fixed-income investments. If the market perceives that a credit risk rating is too high, then the value of the investments may decrease substantially. A downgrade in an issuer’s credit rating, or other adverse news regarding an issuer, can reduce a security’s market value.

The difference in interest rates between an issuer’s bond and a government-issued bond that are otherwise identical in all respects except for the credit rating is known as the credit spread. Credit spreads widen if the market determines that a higher return is necessary to compensate for the increased risk of owning a particular fixed-income investment. An increase in credit spread after the purchase of a fixed-income investment decreases the value of that investment.

Derivatives Risk

Some mutual funds may use derivatives to pursue their investment objectives. Generally, a derivative is a contract between two parties, whose value is determined with reference to the market price of an asset, such as a currency, commodity or stock, or the value of an index or an economic indicator, such as a stock market index or a specified interest rate (the “underlying interest”).

Most derivatives are options, forwards, futures or swaps. An option gives the holder the right, but not the obligation, to buy or sell the underlying interest at an agreed price within a certain time period. A call option gives the holder the right to buy; a put option gives the holder the right to sell. A forward is a commitment to buy or sell the underlying interest for an agreed price on a future date. A future is similar to a forward, except that futures are traded on exchanges. A swap is a commitment to exchange one set of payments for another set of payments.

Some derivatives are settled by one party’s delivery of the underlying interest to the other party; others are settled by a cash payment representing the value of the contract.

The Fund is expected to use derivatives extensively for hedging and non-hedging purposes as described below and within its investment objectives and strategies as set out in Part B of this simplified prospectus.

The use of derivatives carries several risks:

- There is no guarantee that a market will exist for some derivatives, which could prevent the Fund from selling or exiting the derivative prior to the maturity of the contract. This risk may restrict the Fund’s ability to realize its profits or limit its losses.

- It is possible that the other party to the derivative contract (“counterparty”) will fail to perform its obligations under the contract, resulting in a loss to the Fund. The Fund may engage in derivatives trades with certain counterparties that do not have a “designated rating” under NI 81-102, which may increase the risk that such counterparty may fail to perform its obligations, resulting in a loss to the Fund.
- When entering into a derivative contract, the Fund may be required to provide margin or collateral to the counterparty. If the counterparty becomes insolvent, the Fund could lose its margin or its collateral or incur expenses to recover it.
- The Fund may use derivatives to reduce certain risks associated with investments in foreign markets, currencies or specific securities. Using derivatives for these purposes is called hedging. Hedging may not be effective in preventing losses. Hedging may also reduce the opportunity for gain if the value of the hedged investment rises, because the derivative could incur an offsetting loss. Hedging may also be costly or difficult to implement.
- Securities and commodities exchanges could set daily trading limits on options and futures. Such rule changes could prevent the Fund from completing a futures or options transaction, causing the Fund to realize a loss because it cannot hedge properly or limit a loss.
- Where the Fund holds a long or short position in a future whose underlying interest is a commodity, the Fund will always seek to close out its position by entering into an offsetting future prior to the first date on which the Fund might be required to make or take delivery of the commodity under the future. There is no guarantee the Fund will be able to do so. This could result in the Fund having to make or take delivery of the commodity.

Emerging Markets Risk

Emerging markets have the risks described under foreign currency risk and foreign markets risk. In addition, they are more likely to experience political, economic and social instability and may be subject to corruption or have lower business standards. Instability may result in the expropriation of assets or restrictions on payment of dividends, income or proceeds from the sale of a mutual fund’s securities. In addition, accounting and auditing standards and practices may be less stringent than those of developed countries, resulting in limited availability of information relating to a mutual fund’s investments. Further, emerging market securities are often less liquid, and custody and settlement mechanisms in emerging market countries may be less developed, resulting in delays and the incurring of additional costs to execute trades of securities.

ETF Risk

A mutual fund may invest in a fund whose securities are listed for trading on an exchange (an “exchange-traded fund” or “ETF”). The investments of ETFs may include stocks, bonds, commodities and

other financial instruments. Some ETFs, known as index participation units (“IPUs”), attempt to replicate the performance of a widely quoted market index. Not all ETFs are IPUs. While investment in an ETF generally presents the same risks as investment in a conventional mutual fund that has the same investment objectives and strategies, it also carries the following additional risks, which do not apply to investment in conventional mutual funds:

- The performance of an ETF may be significantly different from the performance of the index, assets, or financial measure that the ETF is seeking to track. There are several reasons that this might occur, including that ETF securities may trade at a premium or a discount to their NAV or that ETFs may employ complex strategies, such as leverage, making tracking with accuracy difficult.
- An active trading market for ETF securities may fail to develop or fail to be maintained.
- There is no assurance that the ETF will continue to meet the listing requirements of the exchange on which its securities are listed for trading.

Also, commissions may apply to the purchase or sale of ETF securities. Therefore, investment in ETF securities may produce a return that is different than the change in the NAV of these securities.

Foreign Currency Risk

The NAVs of most mutual funds are calculated in Canadian dollars. Foreign investments are generally purchased in currencies other than Canadian dollars. When foreign investments are purchased in a currency other than Canadian dollars, the value of those foreign investments will be affected by the value of the Canadian dollar relative to the value of the foreign currency. If the Canadian dollar rises in value relative to the other currency but the value of the foreign investment otherwise remains constant, the value of the investment in Canadian dollars will have fallen. Similarly, if the value of the Canadian dollar has fallen relative to the foreign currency, the value of the mutual fund’s investment will have increased.

Some mutual funds may use derivatives such as options, futures, forward contracts, swaps and customized types of derivatives to hedge against losses caused by changes in exchange rates. Please see the “**Investment Strategies**” section of the Fund description in Part B of this simplified prospectus.

Foreign Markets Risk

The value of an investment in a foreign issuer depends on general global economic factors and specific economic and political factors relating to the country or countries in which the foreign issuer operates. The regulatory environment in some foreign countries may be less stringent than in Canada, including legal and financial reporting requirements. There may be more or less information available with respect to foreign companies. The legal systems of some foreign countries may not adequately protect investor rights. Stock markets in foreign countries may have lower trading volumes and sharper price corrections. Some or all of these factors could

make a foreign investment more or less volatile than a Canadian investment.

High Yield Securities Risk

Funds may be subject to high yield securities risk. High yield securities risk is the risk that securities that are rated below investment grade (below “BBB-” by S&P or by Fitch Rating Service Inc., or below “Baa3” by Moody’s® Investor’s Services, Inc.) or are unrated at the time of purchase may be more volatile than higher-rated securities of similar maturity. High yield securities may also be subject to greater levels of credit or default risk than higher-rated securities. The value of high-yield securities can be adversely affected by overall economic conditions, such as an economic downturn or a period of rising interest rates, and high yield securities may be less liquid and more difficult to sell at an advantageous time or price or to value than higher-rated securities. In particular, high yield securities are often issued by smaller, less creditworthy companies or by highly leveraged firms, which are generally less able than more financially stable firms to make scheduled payments of interest and principal.

Illiquidity Risk

A mutual fund may hold up to 15% or more of its net assets in illiquid securities. A security is illiquid if it cannot be sold at an amount that at least approximates the amount at which the security is valued. Illiquidity can occur (a) if the securities have sale restrictions; (b) if the securities do not trade through normal market facilities; (c) if there is simply a shortage of buyers; or (d) for other reasons. In highly volatile markets, such as in periods of sudden interest rate changes or severe market disruptions, securities that were previously liquid may suddenly and unexpectedly become illiquid. Illiquid securities are more difficult to sell, and a mutual fund may be forced to accept a discounted price.

Some high-yield debt securities, which may include but are not limited to security types commonly known as high-yield bonds, floating rate debt instruments and floating rate loans, as well as some fixed-income securities issued by corporations and governments in emerging market economies, may be more illiquid in times of market stress or sharp declines. In addition, the liquidity of individual securities may vary widely over time. Illiquidity in these instruments may take the form of wider bid/ask spreads (i.e., significant differences in the prices at which sellers are willing to sell and buyers are willing to buy that same security). Illiquidity may take the form of extended periods for trade settlement and delivery of securities. In some circumstances of illiquidity, it may be more difficult to establish a fair market value for particular securities, which could result in losses to a fund that has invested in these securities.

Interest Rate Risk

Interest rates have an impact on a whole range of investments. Interest rates impact the cost of borrowing for governments, companies and individuals, which in turn impacts overall economic activity. Interest rates may rise during the term of a fixed-income investment. If interest rates rise, then the value of that fixed-income investment generally will fall. Conversely, if interest rates fall, the value of the investment will generally increase.

Longer-term bonds and strip bonds are generally more sensitive to changes in interest rates than other kinds of securities. The cash flow from debt instruments with variable rates may change as interest rates fluctuate.

Changing interest rates can also indirectly impact the share prices of equity securities. When interest rates are high, it may cost a company more to fund its operations or pay down existing debt. This can impair a company's profitability and earnings growth potential, which can negatively impact its share price. Conversely, lower interest rates can make financing for a company cheaper, which can potentially increase its earnings growth potential. Interest rates can also impact the demand for goods and services that a company provides by impacting overall economic activity as described above.

Large Transaction Risk

The securities of some mutual funds are bought by other mutual funds, investment funds or segregated funds, including Mackenzie Funds, financial institutions in connection with other investment offerings, and/or investors who participate in an asset allocation program or model portfolio program. Independently or collectively, these other parties may, from time to time, purchase, hold or redeem a large proportion of a mutual fund's securities.

A large purchase of a mutual fund's securities will create a relatively large cash position in that mutual fund's portfolio. The presence of this cash position may adversely impact the performance of the mutual fund, and the investment of this cash position may result in significant incremental trading costs, which are borne by all of the investors in the mutual fund.

Conversely, a large redemption of a mutual fund's securities may require the mutual fund to sell portfolio investments so that it can pay the redemption proceeds. This sale may impact the market value of those portfolio investments and result in significant incremental trading costs, which are borne by all of the investors in the mutual fund, and it may accelerate or increase the payment of capital gains distributions to these investors.

Legislation Risk

Securities, tax, or other regulators make changes to legislation, rules, and administrative practice. Those changes may have an adverse impact on the value of a mutual fund.

Leverage Risk

When the Fund makes investments in derivatives, borrows cash for investment purposes, or uses physical short sales on equities, fixed-income securities or other portfolio assets, leverage may be introduced into the Fund. Leverage occurs when the Fund's notional exposure to underlying assets is greater than the amount invested. It is an investment technique that can magnify gains and losses. Consequently, any adverse change in the value or level of the underlying asset, rate or index may amplify losses compared to those that would have been incurred if the underlying asset had been directly held by the Fund and may result in losses greater than the amount invested in the derivative itself. Leverage may increase volatility, may impair the Fund's liquidity and may cause the Fund to liquidate positions at unfavourable times. The Fund is subject to a

gross aggregate exposure limit of three times its net asset value which is measured on a daily basis and described in further detail within the "Investment Objectives" section in Part B of this simplified prospectus. This will operate to limit the extent to which the Fund is leveraged.

Market Risk

There are risks associated with being invested in the equity and fixed-income markets generally. The market value of a mutual fund's investments will rise and fall based on specific company developments and broader equity or fixed-income market conditions. Market value will also vary with changes in the general economic and financial conditions in countries where the investments are based.

Portfolio Manager Risk

A mutual fund is dependent on its portfolio manager or sub-advisor to select its investments. A balanced fund or an asset allocation fund is also dependent on its portfolio manager or sub-advisor to decide what proportion of the mutual fund's assets to invest in each asset class. Mutual funds are subject to the risk that poor security selection or asset allocation decisions will cause a mutual fund to underperform relative to its benchmark or other mutual funds with similar investment objectives.

Prepayment Risk

Certain fixed-income securities, including mortgage-backed or other asset-backed securities, can be prepaid before maturity. If a prepayment is unexpected or if it occurs faster than predicted, the fixed-income security may pay less income and its value may decrease. In addition, because issuers generally choose to prepay when interest rates are falling, the mutual fund may have to reinvest this money in securities that have lower rates.

Securities Lending, Repurchase and Reverse Repurchase Transaction Risk

Certain mutual funds are eligible to enter into securities lending, repurchase and reverse repurchase transactions. In a securities-lending transaction, the mutual fund lends its securities through an authorized agent to another party (often called a "counterparty") in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the mutual fund sells its securities for cash through an authorized agent, while, at the same time, it assumes an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, the mutual fund buys securities for cash while, at the same time, it agrees to resell the same securities for cash (usually at a higher price) at a later date. We have set out below some of the general risks associated with securities lending, repurchase and reverse repurchase transactions:

- When entering into securities lending, repurchase and reverse repurchase transactions, the mutual fund is subject to the credit risk that the counterparty may go bankrupt or may default under the agreement and the

mutual fund would be forced to make a claim in order to recover its investment.

- When recovering its investment on a default, a mutual fund could incur a loss if the value of the securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased relative to the value of the collateral held by the mutual fund.
- Similarly, a mutual fund could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by such mutual fund to the counterparty, plus interest.

Senior Loans Risk

The risks associated with senior loans are similar to the risks of high yield bonds, although senior loans are typically senior and secured, whereas high yield bonds are often subordinated and unsecured. Investments in senior loans are typically below investment grade and are considered speculative because of the credit risk of their issuers.

Historically, such companies have been more likely to default on their payments of interest and principal owed than companies that issue investment grade securities, and such defaults could reduce the NAV and monthly income distributions of these Funds. These risks may be more pronounced in the event of an economic downturn. Under certain market conditions, the demand for senior loans may be reduced, which may, in turn, reduce prices. No active trading market may exist for certain senior loans, which may impair the ability of a holder of a senior loan to realize full value in the event of the need to liquidate such asset. Adverse market conditions may impair the liquidity of some actively traded senior loans. Although these loans are generally secured by specific collateral, there can be no assurance that such collateral would be available or would otherwise satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal or that such collateral could be readily liquidated. In these circumstances, the holder of a loan may not receive payments to which it is entitled.

Senior loans may also be subject to certain risks due to longer settlement periods than the settlement periods associated with other securities. Settlement of transactions in most securities occurs two days after the trade date, and is referred to as "T+2" settlement. In contrast, transactions in senior loans may have longer than normal settlement periods and have settlement periods that exceed T+2. Unlike equities trades, there is no central clearinghouse for loans, and the loan market has not established enforceable settlement standards or remedies for failure to settle. This potentially longer settlement timeline may create a mismatch between the settlement time for a senior loan and the time in which an investment fund holding the senior loan as an investment must settle redemption requests from its investors.

Series Risk

A mutual fund may offer more than one series, including series that are sold under different simplified prospectuses. If one series of such a mutual fund is unable to pay its expenses or satisfy its liabilities, then the assets of the other series of that mutual fund will

be used to pay the expenses or satisfy the liability. This could lower the investment returns of the other series.

Short Selling Risk

Certain mutual funds are permitted to engage in a limited amount of short selling. A short sale is a transaction in which a mutual fund sells, on the open market, securities that it has borrowed from a lender for this purpose. At a later date, the mutual fund purchases identical securities on the open market and returns them to the lender. In the interim, the mutual fund must pay compensation to the lender for the loan of the securities and provide collateral to the lender for the loan. The Fund is permitted to sell securities short up to a maximum of 50% of its net asset value as described in further detail within the "Investment Objectives" section in Part B of this simplified prospectus.

Short selling involves certain risks:

- There is no assurance that the borrowed securities will decline in value during the period of the short sale by more than the compensation paid to the lender, and securities sold short may instead increase in value.
- The Fund may experience difficulties in purchasing and returning borrowed securities if a liquid market for the securities does not exist at that time.
- A lender may require the Fund to return borrowed securities at any time. This may require the Fund to purchase such securities on the open market at an inopportune time.
- The lender from whom the Fund has borrowed securities, or the prime broker who is used to facilitate short selling, may become insolvent and the Fund may lose the collateral it has deposited with the lender and/or the prime broker.

Small Company Risk

A mutual fund may make investments in equities and, sometimes, fixed-income securities issued by smaller capitalization companies. These investments are generally riskier than investments in larger companies for several reasons. Smaller companies are often relatively new and may not have an extensive track record. This lack of history makes it difficult for the market to place a proper value on these companies. Some of these companies do not have extensive financial resources and, as a result, they may be unable to react to events in an optimal manner. In addition, securities issued by smaller companies are sometimes less liquid, meaning there is less demand for the securities in the marketplace at a price deemed fair by sellers.

FUND OF FUNDS

Under NI 81-102, a mutual fund may invest some or all of its assets in one more other fund (an "Underlying Fund").

We may vote the securities of any Underlying Fund that are owned by the Fund if the Underlying Fund is not managed by us. If an Underlying Fund is managed by us or one of our associates or

affiliates, we will not vote the securities of any Underlying Fund owned by the Fund, but will instead decide if it is in your best interests for you to vote individually on the matter. Generally, for routine matters, we will decide that it is not in your best interests for you to vote individually. However, if we decide that it is in your best interests, then we will ask you for instructions on how to vote your proportionate share of the Underlying Fund securities owned by the Fund, and we will vote accordingly. We will only vote the proportion of the Underlying Fund securities for which we have received instructions.

PURCHASES, SWITCHES AND REDEMPTIONS

Fund

The Fund is entitled to the total return (including realized and unrealized gains) on the portfolio assets of the Fund less certain fees and expenses.

Series of Units

The Fund may issue an unlimited number of series of units and may issue an unlimited number of units within each series. The Fund may offer new series, or cease to offer existing series, at any time, without notification to, or approval from, you. The expenses of each series

of the Fund are tracked separately and a separate NAV is calculated for each series. Although the money which you and other investors pay to purchase units of each series, and the expenses of each series, are tracked on a series-by-series basis in your Fund's administration records, the assets of all series of your Fund are combined into a single pool to create one portfolio for investment purposes.

There are currently seven (7) series of units available under this simplified prospectus: Series A, F, FB, O, PW, PWFB and PWX units. The minimum investment and eligibility requirements of the series offered under this simplified prospectus are detailed below.

Series Eligibility and/or Suitability Requirements

The series are subject to their respective minimum investment requirements, as detailed below under “**Minimum Initial and Subsequent Investment Requirements**”. The Fund is also only available with confirmation that your IIROC-registered dealer has signed an agreement with us.

In addition to the minimum investment requirements, the table below describes the suggested series suitability (your financial advisor can best assist you with determining the right series for you) and any further series eligibility requirements you must meet to qualify to purchase the series.

SERIES	SUGGESTED SUITABILITY	ADDITIONAL ELIGIBILITY REQUIREMENTS
Series A	Retail investors.	None.
Series F	Retail investors.	Only permitted with confirmation from your dealer that you are enrolled in a dealer-sponsored fee-for-service or wrap program, you are subject to an asset-based fee rather than commissions on each transaction and your dealer has entered into an agreement with us relating to the distribution of these units. Also available to our employees and employees of our subsidiaries*, our directors, and, at our discretion, to former employees of our subsidiaries.
Series FB	Retail investors.	Only permitted if you negotiate an advisor service fee with your dealer, which is specified within a Series FB agreement with us, and if your dealer has entered into an agreement with us relating to the distribution of these units.
Series O	For certain investors determined at our discretion. Series O investors typically have large investments in the Fund and may include high-net-worth investors, institutional investors, dealers, other investment funds, and other investors. Individual clients may hold Series O through an account with a dealer pursuant to a separate agreement with such dealer.	Only permitted if you have entered into a Series O account agreement with us which specifies the fees applicable to your account. Also available to certain of our employees and employees of our subsidiaries and, at our discretion, to former employees and to relatives of current and former employees.
Series PW	For certain high-net-worth investors through our Mackenzie Private Wealth Counsel program (“ Private Wealth Program ”). These investors typically have large investments in the Fund and may include high-net-worth investors, institutional investors, and other investors.	None.
Series PWFB	For certain high-net-worth investors through our Private Wealth Program. These investors typically have large investments in the Fund and may include high-net-worth investors, institutional investors, and other investors.	Only permitted if you negotiate an advisor service fee with your dealer, which is specified within a Series PWFB agreement with us, and if your dealer has entered into an agreement with us relating to the distribution of these units.

SERIES	SUGGESTED SUITABILITY	ADDITIONAL ELIGIBILITY REQUIREMENTS
Series PWX	For certain high-net-worth investors through our Private Wealth Program. These investors typically have large investments in the Fund and may include high-net-worth investors, institutional investors, and other investors.	Only permitted if you negotiate an advisor service fee with your dealer, which is specified within a Series PWX agreement with us.

* If the employee is the Chief Investment Officer or lead portfolio manager of the Fund, then, for Series F, the employee will receive a management fee reduction, as described in the "Management Fees" section of the "Fees And Expenses" table. The effect of this management fee reduction is that the employee will not pay management fees but will still bear his or her *pro rata* share of fund administration fees and fund costs borne by all Series F investors.

Fund Eligibility Requirements

Investors are only permitted to purchase series of the Fund if their IIROC-registered dealer has entered into an agreement with us authorizing the dealer to sell units of the Fund.

Minimum Initial and Subsequent Investment Requirements

The minimum initial investment requirements for each series are described in the table below. **Please note that we reserve the right to increase, decrease, waive or remove the minimum initial investment requirement to purchase any series of the Funds at any time.**

Table 1: Minimum Initial Investment Requirements

Series	Minimum Initial Investment
Series A, F and FB units	\$500
Series PW, PWFB and PWX units	\$100,000
Series O units	\$500,000

The minimum subsequent investment amount is \$100 per Fund, unless you buy through a pre-authorized contribution plan, in which case, the minimum is \$50 per Fund.

We reserve the right to change or waive the minimum subsequent investment requirement to purchase any series of the Funds.

Account Aggregation Rules for Minimum Investment Requirements

For the purpose of satisfying the minimum investment requirements described in this section, each of the following is an "Eligible Account":

- an account belonging to you;
- an account belonging to your spouse, or a family member residing at the same address;
- an account belonging to you and your spouse jointly;
- an account belonging to your dependent minor(s);

- an account belonging to a corporation of which you or your spouse own more than 50% of the equity, and control more than 50% of the voting shares.

For Series O units, you may combine the value of up to two Eligible Accounts, excluding the value of any of our segregated funds held in these accounts, to satisfy the minimum initial investment requirements. If you satisfy the minimum initial investment requirements in this way, you may purchase any of these series in any of your Eligible Accounts, provided you meet all other eligibility requirements for those series.

For Series PW, PWFB and PWX, and Series PWB, PWF, PWF5, PWF6, PWF8, PWFB5, PWT5, PWT6, PWT8, PWX5 and PWX8 (offered under a separate simplified prospectus) (collectively, the "Private Wealth Series"), if you invest more than \$250,000 in securities of Mackenzie Funds across your Eligible Accounts, we may waive the minimum initial investment amount for an Eligible Account in any Private Wealth Series. You are responsible for ensuring your advisor is aware of all Eligible Accounts that should be linked in order to waive the minimum initial investment amount. We will link your Eligible Accounts only after your advisor has communicated your Eligible Account information to us. Generally, neither Mackenzie nor your advisor has the ability to independently determine what accounts should be linked. Mackenzie will, however, automatically link accounts belonging to one individual if the address associated with each account is identical and they have the same dealer representative code. This means that if you have two or more accounts with the same advisor, provided your advisor maintains these accounts under the same dealer representative code, they will be automatically linked by us. **Accounts will not be automatically linked if you hold Funds with more than one advisor or dealer.** For example, if you also hold Mackenzie Funds in a discount brokerage account, that account will not be automatically linked with an account you hold with your advisor.

Failure to Maintain the Minimum Investment Requirements

The table below sets out the switches or redemptions that we may process if the market value of your investment in a series falls below the specified minimum investment because you redeem units:

Table 2

If you are invested in this series:	We may redeem your investment or switch it into this series ¹ :
Series A, F	We may redeem your units, close the account and return the proceeds of redemption to you.
Series FB, O, PW and PWX	Series A
Series PWFB	Series FB

The switch or redemption will only be processed after we have provided you with 30 days' prior notice. **You should be aware that the management fee rate and administration fee rate charged to the series to which you are switched may be higher than the series of units in which you were invested.** You should discuss investing additional money in your account with your financial advisor or dealer during the notice period so that the status of your investment can be maintained. We will not switch or redeem your investment or ask for the increase to the specified minimum investment amount if the account has fallen below that level as a result of a decline in the NAV rather than a redemption of your units.

Failure to Maintain Eligibility Requirements

If you are no longer eligible for Series F, FB and PWFB units because you are no longer enrolled in a dealer-sponsored fee-for-service or wrap program, or you no longer pay a negotiated advisor service fee to your dealer, we may switch your investment into Series A units.

Changes in Series Minimum Investment Requirements or Eligibility Conditions

We may change the minimum investment requirements or terms of eligibility for prospective investors in the various series of units at any time.

We may redeem your units, without notice, if we determine in our discretion that

- you are engaging in inappropriate or excessive short-term trading;
- for purposes of applicable securities law or tax law, you have become a resident of a foreign jurisdiction where such foreign residency may have negative legal, regulatory or tax implications for the Fund; or
- it would be in the best interest of the Fund to do so.

You remain responsible for all tax consequences, costs and losses, if any, associated with the redemption of units of the Fund upon the exercise by us of our right to switch or redeem your units.

Buying, Selling and Switching Units of the Fund

You may purchase units of the Fund or request switches through your financial advisor or dealer. You may redeem units of the Fund through your financial advisor or dealer or through us. The financial advisor or dealer you select is your agent to provide you with

investment recommendations to meet your own risk/return objectives and to place orders to purchase, switch, or redeem on your behalf. We are not liable for the recommendations given to you by your financial advisor and we are entitled to rely on electronic or other instructions that a financial advisor or dealer provides to us without verifying your instructions.

If we receive your order before 4:00 p.m. (Toronto time) on any day on which the Toronto Stock Exchange (the "TSX") is open for trading (a "trading day"), we will process your order at the NAV calculated later that day. Otherwise, we will process your order at the NAV calculated on the next trading day. We may process orders at an earlier time if the TSX closes for trading earlier on a particular day. (Orders received after that earlier closing time would be processed on the next trading day.)

We calculate the NAV of the Fund at the close of trading on the TSX on each trading day. We calculate a NAV for each series of units of the Fund in the following manner:

- **adding** up the series' proportionate share of the cash, portfolio securities and other assets of the Fund;
- **subtracting** the liabilities applicable to that series of units (which includes the series' proportionate share of common liabilities, plus liabilities directly attributable to the series); and
- **dividing** the net assets by the total number of units of that series owned by investors.

We must receive the appropriate documentation and payment for the units purchased within two (2) trading days of receiving your purchase order. We are entitled to reject any purchase order, but we can only do so within one (1) day of receiving it. If we reject an order, we will return immediately to your dealer any monies we have received from you in connection with that order, without interest.

If we have received your payment but the documentation for your purchase is incomplete, we will invest your money in Series SC securities of Mackenzie Canadian Money Market Fund (offered under a separate simplified prospectus).

Once we know the Mackenzie Fund(s) you have selected and we have received your documentation in good order, we will switch this investment into the Mackenzie Fund(s) you have selected, without any additional charge, at the NAV(s) of the Mackenzie Fund(s) on that switch date.

This Fund only offers sales charge purchase option for Series A, O, PW and PWX.

The amount that you will receive for your redemption order is based on the Fund's NAV for the series of units next calculated after your redemption order has been received in good order. Your redemption order must be in writing or, if you have made arrangements with your dealer, by electronic means through your dealer. If you have a security certificate, you must present the certificate at the time of your redemption request. To protect you from fraud, redemptions above certain dollar amounts require that your signature on your redemption order (and certificate, if applicable) be guaranteed by one of a bank, trust company, member of a recognized stock exchange or any other organization satisfactory to us.

Under exceptional circumstances we may be unable to process your redemption order of the Fund. This would most likely occur if market trading has been suspended on stock exchanges, options exchanges or futures exchanges on which more than 50% by value of the Fund's assets are listed and if the Fund's portfolio securities cannot be traded on any other exchange that represents a reasonably practical alternative to that Fund. During these periods, units of the Fund will also not be issued or switched. For the purposes of making this determination, the Fund will be considered to own directly the securities owned by any Underlying Funds whose securities are owned by the Fund.

You can switch your investment among the series of the Fund available for sale or from the Fund to another Mackenzie Fund available through your dealer, with the following exception:

- you may not switch from the Fund to a mutual fund offered exclusively under the Quadrus Group of Funds simplified prospectus.

We have created Series GP securities of Mackenzie Canadian Money Market Fund (offered under a separate simplified prospectus) to assist you in making investments into our Guided Portfolio Service. By signing our GPS Client Agreement, when you purchase Series GP securities of Mackenzie Canadian Money Market Fund, you have instructed us, on the business day following the settlement of your purchase (and subject to the receipt of a signed Schedule "A" to your Mackenzie GPS Client Agreement, if applicable) to automatically switch your Series GP securities to securities of the Fund and, where applicable, other Mackenzie Funds, that comprise your chosen portfolio, according to your target allocations. "**Business day**" means any day the Fund is open to accept orders to purchase or redeem units. Please refer to the "**Optional Services**" section of this document for a full description of this service.

Series SP securities of Mackenzie Canadian Money Market Fund (offered under a separate simplified prospectus) are generally available if you wish to invest in our Guided Portfolio Service within your RESP account.

The following table summarizes which switch transactions will be taxable to you if your units are held outside a registered plan.

Table 3

Type of Switch	Taxable	Non-Taxable
Between series of the Fund		✓
All other switches	✓	

Short-Term Trading

We have adopted policies and procedures to detect and deter inappropriate and excessive short-term trading.

We define an inappropriate short-term trade as a combination of a purchase and redemption, including switches between Mackenzie Funds, made within 90 days, which we believe is detrimental to Fund investors and that may take advantage of Mackenzie Funds with investments priced in other time zones or illiquid investments that trade infrequently.

We define excessive short-term trading as a combination of purchases and redemptions, including switches between Mackenzie Funds, that occurs with such frequency within a 30-day period that we believe is detrimental to Fund investors.

Inappropriate short-term trading may harm Fund investors who do not engage in these activities by diluting the NAV of the Fund's units as a result of the market timing activities of other investors. Inappropriate and excessive short-term trading may cause the Fund to carry an abnormally high cash balance and/or high portfolio turnover rate, both of which may reduce the Fund's returns.

All trades that we determine to be inappropriate short-term trades will be subject to a 2% fee. All trades that we determine to be part of a pattern of excessive short-term trading will be subject to a 1% fee. The fees charged will be paid to the Fund.

We may take such additional action as we consider appropriate to prevent further similar activity by you. These actions may include the delivery of a warning to you, placing you or your account(s) on a watch list to monitor your trading activity and the subsequent rejection of further purchases by you if you continue to attempt such trading activity and/or closure of your account.

In determining whether a short-term trade is inappropriate or excessive, we will consider relevant factors, including the following:

- *bona fide* changes in investor circumstances or intentions;
- unanticipated financial emergencies;
- the nature of the Mackenzie Fund;
- past trading patterns;
- unusual market circumstances; and
- an assessment of harm to the Mackenzie Fund or to us.

The following types of redemptions (including switches) will be exempt from short-term trading fees:

- from money market or similar funds (offered under a separate simplified prospectus). These Funds are exempt from short-term trading fees because they are unlikely to be exposed to the adverse effects of short-term trading.
- from an Underlying Fund by the Fund in a fund-of-funds program or other similar program;
- for our asset allocation programs, excluding manual rebalancing in our Guided Portfolio Service;
- for systematic withdrawal plans;
- redemptions of units received on the reinvestment of income or other distributions;
- redemptions of units to pay management fees, administration fees, operating expenses, fund costs and/or advisor fees with respect to Series FB, O, PWFB and PWX units; and

- automatic rebalancing of your holdings within our Guided Portfolio Service, which will not, in any circumstances other than a manual rebalancing, result in short-term trading fees being charged.

In making these judgments, we seek to act in a manner that we believe is consistent with your best interests. Your interests and the Mackenzie Funds' ability to manage its investments may be adversely affected by inappropriate or excessive short-term trading because, among other things, these types of trading activities can dilute the value of Mackenzie Fund securities, can interfere with the efficient management of a Mackenzie Fund portfolio and can result in increased brokerage and administrative costs.

While we will actively take steps to monitor, detect and deter inappropriate and excessive short-term trading, we cannot ensure that such trading activity will be completely eliminated. For example, certain financial institutions may offer alternative investment products to the public that are comprised, in whole or in part, of securities of Mackenzie Funds. These institutions may open accounts with us on behalf of multiple investors whose identity and trading activity is not normally recorded on our transfer agent system.

We reserve the right to restrict, reject or cancel, without any prior notice, any purchase or switch order, including transactions that we deem to represent inappropriate or excessive short-term trading.

OPTIONAL SERVICES

Dollar-Cost Averaging Service

Our Dollar-Cost Averaging (“DCA”) Service is a systematic way for you to invest in the Fund or Mackenzie Funds over time. On a weekly, bi-weekly or monthly basis, over a six (6) or twelve (12) month period (the “DCA Period”), equal amounts (based on your initial instructions, which you may change at a later date) will be switched by redeeming securities of one Mackenzie Fund (referred to as the “Starting Fund”) and purchasing securities of another Mackenzie Fund(s) (referred to as the “Target Fund(s)”).

Systematic switches under the DCA Service will take place between the same purchase options, namely, sales charge purchase option, redemption charge purchase option, low-load 2 purchase option or low-load 3 purchase option (offered on other Mackenzie Funds). Short-term trading fees do not apply to securities switched through this service.

The DCA Service is only available to you if you purchase securities designated by us, from time to time, and complete the required set-up forms.

The scheduled switches will be completed at the applicable NAV of the securities on the transaction date. Where the selected switch date is not a trading day, the switch will be moved forward to the next trading day.

At the end of the DCA Service, any distributions paid and reinvested in securities of the Starting Fund will automatically be switched by the DCA Service into securities of the Target Fund according to the Target Fund's code. Each Mackenzie Fund has a numerical code

assigned to it (“Fund Code”). These Fund Codes are used to facilitate electronic transaction processing according to industry standards. If you have more than one Target Fund, the switch will be made to the Target Fund with the lowest Fund Code. If you have more than one DCA program running under the DCA Service and the DCA Periods overlap, the reinvested securities of the Starting Fund will be switched into securities of the Target Fund(s) at the end of the latest DCA Period.

You can terminate a DCA program at any time before a scheduled switch date, as long as we receive at least three (3) business days' notice, or by switching all of the applicable securities out of the Starting Fund.

Guided Portfolio Service

Our Guided Portfolio Service (“GPS”) is an automatic portfolio rebalancing service that allows you to invest in any number of Mackenzie Funds with specific target fund allocations selected by you, creating your own customized portfolio of investments. We will then rebalance these holdings from time to time, based on your chosen frequency and rebalancing range, to make sure that your portfolio mix is allocated in line with your initial target instructions. Rebalancing is achieved by switching your investments among the Mackenzie Funds selected by you. This may result in a redemption of your securities and cause you to realize a capital gain or loss. Please see the “Purchases, Switches and Redemptions” section of this document.

All of the series of the Fund are eligible for this service. You may also hold securities of other Mackenzie Funds within the same account and keep them separate from the funds you wish to comprise your rebalancing portfolio.

To participate in this service, you must first complete and sign our GPS Client Agreement. By completing this form, you authorize us to monitor your portfolio and to rebalance it at intervals selected by you (together with the help of your financial advisor), which can be monthly, quarterly, semi-annually, or annually.

In order to facilitate investing in the service, we have created Series GP securities of Mackenzie Canadian Money Market Fund (offered under a separate simplified prospectus). When you enrol in the service, you have the option of using this series to direct your investment into your selected Mackenzie Funds upon the activation of your portfolio rebalancing service. Series GP securities are available for purchase under all purchase options, to coincide with your preferred purchase option for the Mackenzie Funds that will comprise your portfolio.

Upon activation of your rebalancing service, your Series GP securities of Mackenzie Canadian Money Market Fund will automatically be switched (at no cost) and allocated amongst the various Mackenzie Funds you have elected to include in your Portfolio.

Series GP securities are only available for investment to facilitate portfolio construction using this service. If you invest in Series GP and have not submitted the GPS Client Agreement specifying your target fund allocations and rebalancing preferences within 30 days, we will switch your investment to a different series of Mackenzie Canadian Money Market Fund as follows:

- to Series SC if you held your Series GP securities under the sales charge purchase option; or
- to Series A if you held your Series GP securities under any other purchase option.

Rebalancing will occur at the intervals you specify, provided the current fund allocations are outside of a range anywhere between 2% and 10% (you select the rebalancing range, which must be in increments of 0.5%) above or below your stated target allocation at the time you enroll in the service. Your portfolio will be rebalanced to be within the tolerance range you have selected and not to the target allocation.

If you redeem all of your investments in a Mackenzie Fund that was part of your target fund allocation without providing us with an amended GPS Client Agreement, then, at the time of your next scheduled rebalancing, we will rebalance the remaining Mackenzie Funds in your portfolio and proportionately reallocate your investments amongst the same Mackenzie Funds in your current target fund allocation (including the redeemed Mackenzie Fund).

You always retain the option of changing your target allocation, rebalancing ranges or rebalancing frequency of your portfolio upon further written instructions to us or through your dealer using an Amendment Form to our GPS Client Agreement. You may also request a manual rebalancing of your portfolio outside of the scheduled automatic rebalancing period at any time. Be advised that, in some cases, a manual rebalancing may trigger short-term trading fees. Please see the **“Short-Term Trading”** section of this document, under **“Purchases, Switches and Redemptions”**, for details of our short-term trading policy.

There are no separate fees for this program. Any applicable mutual fund charges will apply. There is no minimum investment requirement in this service.

All of the terms and conditions of the service are on the GPS Client Agreement, which is available from your dealer or at www.mackenzieinvestments.com.

Pre-Authorized Contribution Plans

You can make regular purchases of the Fund through a pre-authorized contribution plan (**“PAC”**). You can invest weekly, bi-weekly, semi-monthly, monthly, bi-monthly, quarterly, semi-annually or annually. Each investment must be at least \$50 per Fund. Ask your financial advisor for an authorization form to start the plan. There is no administrative charge for this service.

When you enrol in a PAC, your dealer will send you a complete copy of the Fund's or other Mackenzie Funds' current Fund Facts, along with a PAC form agreement (a **“Form”**) as described below. Upon request, you will also be provided with a copy of the Fund's simplified prospectus.

You will not receive the Fund Facts when you make any subsequent purchases under the PAC unless you request this at the time of your initial investment, or subsequently send a request. You can get copies of these documents at www.mackenzieinvestments.com or at www.sedar.com, from your dealer, by calling us toll-free at **1-800-387-0614** or by e-mailing us at service@mackenzieinvestments.com. We will only send you an

updated copy of the Fund Facts annually upon renewal and any amendments if you have requested them.

You have a statutory right to withdraw from an initial purchase of the Fund under the PAC plan, but you do not have a statutory right to withdraw from subsequent purchases of the Fund under the PAC. However, you will continue to have all other statutory rights under securities law, including a right of action for damages or rescission in the event any Fund Facts or document incorporated by reference in any renewal simplified prospectus contains any misrepresentation, whether or not you have requested the Fund Facts.

You may change or terminate your PAC at any time before a scheduled investment date as long as we receive at least ten (10) business days' notice.

The Canadian Payments Association has implemented Rule H1, which is intended to protect consumers from unauthorized debits. On PAC enrolment, you must be given the form or disclosure that describes the PAC terms and conditions and investors' rights. By enrolling in a PAC, you are deemed to

- waive any pre-notification requirements;
- authorize us to debit your bank account;
- authorize us to accept changes from your registered dealer or financial advisor;
- agree to release your financial institution of all liability if your request to stop a PAC is not respected, except where the financial institution is grossly negligent;
- agree that a limited amount of your information will be shared with the financial institution for the purpose of administering your PAC;
- agree that you are fully liable for any charges incurred if the debits cannot be made due to insufficient funds or any other reason for which you may be held accountable; and
- be aware that you have rights and that you can change your instructions at any time, on ten (10) days' advance notice to us and that you can find out more about your right to cancel a pre-authorized debit agreement by contacting your financial institution or by visiting www.cdnpay.ca.

Registered Plans

You can open certain registered plans offered by us through your dealer. We offer the following plans (collectively referred to as **“registered plans”**):

- registered retirement savings plans (**“RRSPs”**), including
 - locked-in retirement accounts (**“LIRAs”**),
 - locked-in retirement savings plans (**“LRSPs”**),
 - restricted locked-in savings plans (**“RLSPs”**),
- registered retirement income funds (**“RRIFs”**), including
 - life income funds (**“LIFs”**),

- locked-in retirement income funds (“LRIFs”),
- prescribed retirement income funds (“PRIFs”),
- restricted life income funds (“RLIFs”),
- tax-free savings accounts (“TFSAs”),
- registered education savings plans (“RESPs”),
- registered disability savings plans (“RDSPs”), and
- deferred profit-sharing plans (“DPSPs”).

We do not permit units of the Fund to be held within RDSPs. Please see the “Fund Eligibility Requirements” section in the applicable Mackenzie Fund simplified prospectus for more information.

B2B Trustco is the trustee of our registered plans.

Systematic Transfer and Exchange Program

Our Systematic Transfer and Exchange Program (“STEP”) allows you to periodically and systematically move money from the Starting Fund to the Target Fund, within the same account or a different account. STEP is applicable to all series offered under this simplified prospectus. You may switch an amount of your choice to another Mackenzie Fund on a weekly, bi-weekly, semi-monthly, monthly, bi-monthly, quarterly, semi-annual and annual basis and you may make changes to (a) the Target Fund; (b) the frequency of the switch; and (c) the amount switched, upon three (3) business days’ written notice to us. **We will automatically sell securities of the Starting Fund and use the proceeds to buy securities of the Target Fund.** Short-term trading fees do not apply to securities switched through this service; however, you may have to pay a negotiable switch fee to your financial advisor. If you hold your securities outside a registered plan, you may realize a capital gain or loss. Capital gains are taxable. Where the selected switch date is not a trading day, the switch will be moved forward to the next trading day.

You may change or terminate a STEP at any time before a scheduled investment date, as long as we receive at least three (3) business days’ notice.

Systematic Withdrawal Plans

You can set up a systematic withdrawal plan (“SWP”) if you have at least \$5,000 invested in the Fund in your account. You can choose when to withdraw (weekly, bi-weekly, semi-monthly, monthly, bi-monthly, quarterly, semi-annually or annually) and how much to redeem each time. There is no administrative charge for this program. The program is not available for some types of registered plans and for certain series of securities. **Please understand that regular withdrawals could eventually eliminate your entire investment if you do not make additional purchases in your account.**

You may change or terminate your SWP at any time before a scheduled withdrawal date as long as we receive at least three (3) business days’ notice.

Telephone Redemption Service

At times, it may be more convenient for you to telephone us directly to place a redemption order for the Fund. The telephone number is **1-800-387-0614**. Your financial advisor can give you our Telephone Redemption Service application form. **This service is not available to redeem securities held in a registered plan or for securities in accounts held in your dealer’s or other intermediary’s name.** We recommend that you always consult your financial advisor before placing a redemption order.

Your redemption proceeds will be transferred electronically to your bank account. To protect both you and us from fraud, for redemptions above certain dollar thresholds, your signature on the application form must be guaranteed by one of a bank, trust company, member of a recognized stock exchange or any other organization satisfactory to us. There is no additional charge for using the Telephone Redemption Service.

FEES AND EXPENSES

The tables below list the fees and expenses that you may have to pay if you invest in the Fund. You may have to pay some of these fees and expenses directly. Alternatively, the Fund may have to pay some of these fees and expenses directly, which will therefore reduce the value of your investment in the Fund. Unless otherwise indicated, the Fund pays management fees, administration fees and fund costs. The management fees and any administration fees are paid to us as manager of the Fund. The management fee is paid in exchange for the investment advisory services provided to the Fund, including portfolio analysis and decision-making, ensuring that all activities of the Fund are in compliance with their investment objectives and strategies, as well as marketing and promotion of the Fund.

As shown in the tables below, the annual management fees and administration fees vary by series. You should make a specific request through your dealer to purchase any applicable lower-fee series you may be eligible to purchase, or to switch your existing units to any applicable lower-fee series you may be eligible to purchase.

The fees for Series O units of the Funds are negotiable by you and payable directly to us. Parties related to us and our employees and employees of our subsidiaries may be charged fees that are lower than those available to other investors. For Series O units, this fee can be paid (1) by cheque or by the redemption of Series O units you hold, if (i) you have a minimum of \$5,000,000 invested in Series O units and (ii) you hold your units outside of a registered plan; or (2) by the redemption of Series O units you hold, if you have less than \$5,000,000 invested in Series O units. In addition, fund costs will be charged to Series O units.

The management and administration fees for Series PWX units of the Fund are payable by you directly to us and will be paid by the redemption of Series PWX units you hold. Fund costs will be charged to Series PWX units.

Table 4: Fees and Expenses Payable by the Fund

FEES AND EXPENSES PAYABLE BY THE FUNDS				
Annual Management Fee Rate by Series (%)				
FUND	A	F/PWFB	FB	PW
ALTERNATIVE FUND				
Mackenzie Multi-Strategy Absolute Return Fund	2.25%	1.15%	1.25%	2.15%

* Management fees are subject to applicable taxes, including G.S.T. / H.S.T.

Management Fee, Administration Fee and Fund Cost Reductions

We may reduce the management fee rate, administration fee rate and/or fund costs that we charge with respect to the Fund units you may hold.

We will implement any reduction of fees and/or fund costs by reducing the amount charged to the Fund, and the Fund will then make a special distribution (“**Fee Distribution**”) to you that will be reinvested, without charge, in additional units of the series on which they were paid, unless you elect in advance to receive the Fee Distribution in cash. The Fee Distributions paid by the Fund will be paid first out of the Fund’s income and capital gains and then, if necessary, out of capital.

The level of reduction may be typically negotiable between you and us and usually will be based on the size of your account and the extent of Fund services you require.

The tax consequences of Fee Distributions made by the Fund generally will be borne by the unitholders receiving these distributions.

Negotiated Trailing Commissions Implemented by Management Fee Reductions

If you hold Series A or PW units, you may negotiate with your dealer to reduce the amount of trailing commission that we pay your dealer out of the management fees that we collect. Your dealer will submit to us a form describing the reduced trailing commission amount they are willing to accept, requesting that we reduce your management fee rate accordingly.

We will subtract the reduced trailing commission, to which you and your dealer have agreed, from the maximum trailing commission described within the “**Trailing Commissions**” section of this document. We will then reduce your management fee rate for the applicable series that you hold to reflect the difference. These management fee reductions will be implemented as described under the “**Management Fee, Administration Fee and Fund Cost Reductions**” section of this document. Ask your financial advisor for more information on this program.

We may discontinue or change the terms of this program at our discretion and dealers that choose to participate may instruct us to discontinue the program in relation to your investment(s) at any time. It is your dealer’s obligation to provide you with

notice in both cases. Your dealer has no obligation to participate in this program.

Switching between Retail Series and Private Wealth Series

We will automatically switch your Series A and FB (the “**Retail Series**”) into the applicable Private Wealth Series once either (1) you have, within a single account, \$100,000 in one Retail Series of a Fund; or (2) you have \$250,000 in Eligible Investments (as defined below) within your Eligible Accounts (the “**Eligibility Criteria**”), subject to certain exceptions outlined below and provided your dealer offers Private Wealth Series securities. These switches will occur so that you will be invested in the Private Wealth Series with the lowest combined management and administration fees for which you are eligible. Please note that Retail Series securities that are subject to a redemption charge will not be automatically switched.

Once you meet the Private Wealth Series Eligibility Criteria through a purchase or a switch transaction, you will be automatically switched into the applicable Private Wealth Series the following business day. In addition, we will automatically switch your securities into the applicable Private Wealth Series on or about the second Friday of every month if positive market movement has allowed you to meet the Eligibility Criteria. Please note you will never be moved out of a Private Wealth Series because of a decrease in market value.

Please note that your investment of at least \$100,000 in one Retail Series of a Mackenzie Fund has to come from a single account. We will make an exception if you have a DPSP and a group RRSP that are administered by us and have the same plan sponsor. In this case, if your combined DPSP and group RRSP holdings in one Mackenzie Fund meet the \$100,000 threshold, then we will automatically switch your securities into the applicable Private Wealth Series.

You are responsible for ensuring your advisor is aware of all Eligible Accounts that should be linked in order to qualify for Private Wealth Series. We will link your Eligible Accounts only after your advisor has communicated your Eligible Account information to us. Generally, neither Mackenzie nor your advisor have the ability to independently determine what accounts should be linked. Mackenzie will, however, automatically link accounts belonging to one individual if the address associated with each account is identical and they have the same dealer representative code. This means that, if you have two or more accounts with the same advisor, provided your advisor maintains these accounts under the same dealer representative code, they will

be automatically linked by us. **Accounts will not be automatically linked if you hold Funds with more than one advisor or dealer.** For example, if you also hold Funds in a discount brokerage account, that account will not be automatically linked with an account you hold with your advisor.

Redemptions of your units (except for redemptions from RDSPs and RRIFs, including LIFs, LRIFs, PRIFs and RLIFs) will decrease the amount of total investments with us for the purposes of the calculation. However, market value declines in your Private Wealth Series or Eligible Investments in your Eligible Accounts will not decrease your amount of total investments with us for the purposes of the calculation.

If you no longer meet the Eligibility Criteria for Private Wealth Series, we may automatically switch your units back into the appropriate Retail Series, which will have higher management and administration fees than the Private Wealth Series.

We may, in our sole discretion, make changes to this program, including changing (1) the Eligibility Criteria to qualify for automatic switching into Private Wealth Series; and (2) what qualifies as an Eligible Investment or Eligible Account. Please speak with your advisor for more details about this program.

FEES AND EXPENSES PAYABLE BY THE FUNDS

Administration Fee

We pay all operating expenses, other than “fund costs”, for each series, in exchange for a fixed-rate annual administration fee (the “**Administration Fee**”). Administration Fees are paid by each series of the Fund except for Series PWX units, for which Administration Fees are charged directly to you. Administration Fees are subject to applicable taxes, such as G.S.T./ H.S.T. We provide the majority of services required for the Fund to operate, although we retain third parties to provide certain services.

In exchange for the Administration Fee, the expenses borne by us on behalf of the series include (i) recordkeeping, accounting and fund valuation costs; (ii) custody safekeeping fees (except as noted in Fund Costs below); (iii) audit and legal fees; and (iv) the costs of preparing and distributing Fund financial reports, simplified prospectuses, and other investor communications we are required to prepare to comply with applicable laws (other than the costs of complying with any new regulatory requirements, as described in Fund Costs below).

The Administration Fee is charged separately from the management fee for each series. It is calculated as a fixed annual percentage of the NAV of each series as indicated below.

There are no Administration Fees charged to Series O units of the Fund, although fund costs will still be allocated.

As stated above, the Administration Fees for Series PWX are charged directly to you. Please see the “**Fees and Expenses Payable Directly by You**” table in this section for more details. For all other series, Administration Fees are charged at the rates shown in the following table.

Fund	F/PW/PWFB	A/FB
ALTERNATIVE FUND		
Mackenzie Multi-Strategy Absolute Return Fund	0.15%	0.28%

Fund Costs

Each series of the Fund pays “**fund costs**”, which include interest and borrowing costs, brokerage commissions and related transaction fees, taxes (including, but not limited to G.S.T./H.S.T. and income tax), all fees and expenses of the Mackenzie Funds’ IRC, costs of complying with the regulatory requirement to produce Fund Facts, fees paid to external service providers associated with tax reclaims, refunds or the preparation of foreign tax reports on behalf of the Fund, new fees related to external services that were not commonly charged in the Canadian mutual fund industry and introduced after April 27, 2018, and the costs of complying with any new regulatory requirements, including, without limitation, any new fees introduced after April 27, 2018. Interest and borrowing costs and taxes will be charged to each series directly based on usage. Costs of complying with new regulatory requirements will be assessed based on the extent and nature of these requirements. The remaining fund costs will be allocated to each series of the Fund based on their net assets relative to the net assets of all series of the Fund. We may allocate fund costs among each series of the Fund based on such other method of allocation as we consider fair and reasonable to the Fund.

Fund costs are charged separately from the management fee for each series.

FEES AND EXPENSES PAYABLE BY THE FUNDS

Fund Costs (cont'd)	<p>Each IRC member is entitled to an annual retainer of \$40,000 (\$50,000 for the Chair) and a fee of \$1,500 for each meeting attended. In addition, the Chair of an IRC sub-committee is entitled to an annual retainer of \$5,000. Members are also entitled to be reimbursed for all reasonable expenses incurred in the performance of their duties, including reasonable travel and accommodation expenses. We also purchase and maintain insurance liability coverage for the benefit of the IRC members. For the year ended March 31, 2018, the total amount expensed in this regard by the Mackenzie Funds was \$272,363.74. All fees and expenses were allocated among the Mackenzie Funds managed by us in a manner that was fair and reasonable.</p>
General Information on Fees/Expenses of All Mackenzie Funds	<p>We may reduce any Administration Fees or other fees and/or expenses for you, as described in the preceding section of this table (see “Management Fees”). There will be no duplication of expenses payable by the Fund as a result of its investments in Underlying Funds. Management expense ratios (“MERs”) are calculated separately for each series of units of the Fund and include that series’ management fees, Administration Fees and/or fund costs, if applicable (except as specified below).</p> <p>The Fund pays its own brokerage commissions for portfolio transactions and related transaction fees. These expenses are not included in the Fund’s MER but are, for tax purposes, added to the cost base or subtracted from the sale proceeds of its portfolio investments. These expenses constitute the Fund’s trading expense ratio (“TER”). Both the MER and the TER are disclosed in the Fund’s annual and semi-annual Management Report of Fund Performance.</p> <p>We will give you 60 days’ written notice of any change to the basis of the calculation of the fees or expenses that are charged to the Fund by an arm’s length party that could result in an increase in charges, or the introduction of a fee or expense to be charged to the Fund by an arm’s length party that could result in an increase in charges.</p>
Fund of Funds	<p>Where the Fund invests (directly or indirectly) in Underlying Funds, the fees and expenses payable in connection with the management of the Underlying Fund are in addition to those payable by the Fund. However, there will be no duplication in the payment of management fees, and we will not charge duplicate Administration Fees in these circumstances. Except in the case of ETFs managed by us or our affiliates (as defined below), there will neither be sales fees nor redemption fees payable by the Fund with respect to the purchase or redemption by it of securities of an Underlying Fund managed by us. In addition, the Fund will not pay sales fees or redemption fees with respect to the purchase or redemption by it of securities of an Underlying Fund that, to a reasonable person, would duplicate a fee payable by you in the Fund.</p>

FEES AND EXPENSES PAYABLE DIRECTLY BY YOU

Sales Charge Purchase Option	<p>If you purchase Series A, O, PW or PWX under the sales charge purchase option, you will pay a sales charge which you negotiate with your financial advisor and which is payable to your dealer at the time you purchase your units. The table below sets out the sales charges applicable to each series offered by the Fund:</p> <table border="1" data-bbox="378 1444 1393 1612"> <thead> <tr> <th data-bbox="378 1444 1081 1528">Series/Option</th> <th data-bbox="1086 1444 1393 1528">Maximum Sales Charge (% of Purchase Amount)</th> </tr> </thead> <tbody> <tr> <td data-bbox="378 1528 1081 1570">Series A</td> <td data-bbox="1086 1528 1393 1570">5%</td> </tr> <tr> <td data-bbox="378 1570 1081 1612">Series O, PW and PWX</td> <td data-bbox="1086 1570 1393 1612">2%</td> </tr> </tbody> </table> <p>The Fund will not pay sales charges if it purchases securities of any other Mackenzie Fund, unless otherwise indicated.</p> <p>There is no sales charge for Series F, FB and PWFB.</p>	Series/Option	Maximum Sales Charge (% of Purchase Amount)	Series A	5%	Series O, PW and PWX	2%
Series/Option	Maximum Sales Charge (% of Purchase Amount)						
Series A	5%						
Series O, PW and PWX	2%						
Switch Fees	<p>If you switch between series of the Fund or to other Mackenzie Funds, then you may pay a switch fee of 0-2%. This fee is negotiable with your dealer in the circumstances described in the “Dealer Compensation – Sales Commissions” section of this simplified prospectus.</p>						

FEES AND EXPENSES PAYABLE DIRECTLY BY YOU

Inappropriate Short-Term Trading Fee	<p>A fee of 2% of the amount switched or redeemed will be charged by the Fund for inappropriate short-term trading. Inappropriate short-term trading is defined as a combination of a purchase and redemption, including switches between Mackenzie Funds, within 90 days, that we believe is detrimental to Fund investors and that may take advantage of Mackenzie Funds with investments priced in other time zones or illiquid investments that trade infrequently.</p> <p>For further information about our policies on inappropriate short-term trading, please see the “Short-Term Trading” section of this simplified prospectus.</p>									
Excessive Short-Term Trading Fee	<p>A fee of 1% of the amount switched or redeemed will be charged by the Fund if you invest in the Fund for less than 30 days and your trading is part of a pattern of short-term trading that we believe is detrimental to Fund investors.</p> <p>The short-term trading fees will be paid to the Fund. Under no circumstances will automatic switches out of Series GP (offered under a separate simplified prospectus), automatic switches in DCA or STEP, or automatic rebalancing of your holdings within our Guided Portfolio Service be subject to short-term trading fees.</p> <p>For further information about our policies on excessive short-term trading, please see the “Short-Term Trading” section of this simplified prospectus.</p>									
Series O: Fees and Advisor Service Fees	<p>The maximum fee (excluding advisor service fee) payable by you directly to us for Series O units is an amount of up to 1.50% of the units purchased, plus applicable taxes, for all Funds. Series O fees are paid to us in consideration for the management and administration services provided to the Fund.</p> <p>These fees will be described in your Series O Account Agreement.</p> <p>In addition, you may pay an advisor service fee, which is negotiated between you and your financial advisor (on behalf of the dealer). This fee is stipulated in your Series O Account Agreement, in which you may agree to allow us to redeem units of the Fund from your account for an amount equal to that fee and remit the proceeds to the dealer. In all instances, the maximum advisor service fee for Series O units is 1.50%</p>									
Series PWX Fees: Management Fees, Administration Fees and Advisor Service Fees	<p>The fees (excluding advisor service fees) payable by you directly to us for Series PWX units are disclosed in the table below. The advisor service fee will be described in your Series PWX Account Agreement.</p> <p>We will pay the advisor service fee on your behalf by redeeming units of the Funds from your account, in an amount equal to the advisor service fee, and remitting the proceeds to your dealer. You are required to negotiate your advisor service fee with your financial advisor on behalf of the dealer. The maximum advisor service fee for Series PWX units is 1.50%.</p> <table border="1" data-bbox="378 1241 1490 1360"> <thead> <tr> <th>Fund</th> <th>Management Fee</th> <th>Administration Fee</th> </tr> </thead> <tbody> <tr> <td colspan="3">ALTERNATIVE FUND</td> </tr> <tr> <td>Mackenzie Multi-Strategy Absolute Return Fund</td> <td>1.15%</td> <td>0.15%</td> </tr> </tbody> </table>	Fund	Management Fee	Administration Fee	ALTERNATIVE FUND			Mackenzie Multi-Strategy Absolute Return Fund	1.15%	0.15%
Fund	Management Fee	Administration Fee								
ALTERNATIVE FUND										
Mackenzie Multi-Strategy Absolute Return Fund	1.15%	0.15%								

Impact of Sales Charges

The following table shows the maximum sales charges that you would pay under the sales charge purchase option available to you if you made an investment of \$1,000 in units of the Fund and if you held that investment for periods of one, three, five or ten years, and then redeemed your entire investment immediately before the end of the period.

Table 5: Sales charge purchase option

	At time of purchase	1 year	3 years	5 years	10 years
Sales charge purchase option ¹	Up to \$50	–	–	–	–

¹ Based on a maximum sales charge rate of 5%, generally. There are no sales charges to purchase Series F, FB or PWFB units, and these units are generally available only if you are enrolled in a dealer-sponsored fee-for-service or wrap program and you are subject to an asset-based fee rather than commissions on each transaction, among other eligibility rules. The maximum sales charge to purchase Series O, PW and PWX units is 2%.

DEALER COMPENSATION

Sales Commissions

The table below sets out the sales commissions that are payable to your dealer when you purchase Fund units. Sales commissions are based on the purchase amount and are negotiated and paid by you.

Table 6: Sales Commissions payable to your dealer

Series of the Fund	Sales Charge Purchase Option
Series A units	Maximum of 5%
Series O units	Maximum of 2%
Series PW, PWX units	
Series F, FB, PWFB units	No sales charge but you will generally be required to pay your dealer an advisory or asset-based fee in addition to the management fees payable by that series

We do not pay commissions when you switch between Mackenzie Funds and your new Mackenzie Fund securities are issued under the same purchase option as your previous Mackenzie Fund securities. A switch fee of up to 2% of the amount you switch may be charged and retained by your dealer. The Fund will not pay sales commissions if it purchases securities of any other Mackenzie Fund.

No sales commissions are paid when you receive units from your reinvested Fund distributions.

Trailing Commissions

We may pay dealers a trailing commission at the end of each month or calendar quarter as a percentage of the value of units of the Fund held in your account with your dealer. The table below shows the maximum trailing commission annual rates applicable to the series of units offered under this simplified prospectus.

Series A and PW trailing commissions are paid out of the management fees collected by us. No trailing commissions are paid in respect of Series F, FB, PWFB, O and PWX units.

You may negotiate an advisor service fee with your financial advisor on behalf of the dealer in your Series O Account Agreement. The maximum advisor service fee for Series O units is 1.50%. Under that agreement, you may agree to allow us to redeem units of the Fund from your account for an amount equal to that fee and remit the proceeds to the dealer. Please see the “**Series O**” section in the “**Fees and Expenses Payable Directly by You**” table in this simplified prospectus for more details.

For Series FB, PWFB or PWX, you are subject to an advisor service fee that we will pay on your behalf by redeeming units of the Fund from your account in an amount equal to the advisor service fee and remitting the proceeds to your dealer. You are required to negotiate your advisor service fee with your financial advisor on behalf of the dealer. These advisor service fees are disclosed within a Series FB, PWFB or PWX Account Agreement with us. In all instances, the maximum advisor service fee for Series FB, PWFB or PWX units is 1.50%.

Table 7: Trailing Commission Annual Rates

TRAILING COMMISSION ANNUAL RATE FOR THE FUND	
Series	A, PW
Purchase Option*	SCS
Mackenzie Multi-Strategy Absolute Return Fund	1.00%

*“SCS” means the Sales Charge Purchase option.

In the event that B2B Bank Securities Services Inc. or its affiliate acts as a dealer for an account held by our employees or directors or our subsidiary, in addition to the amounts set out above, we may pay B2B Bank Securities Services Inc. up to an extra 0.25% for administering that particular staff account.

In circumstances where Mackenzie Fund securities are purchased through discount brokerage accounts, we may also pay trailing commissions to the discount broker.

We may change the terms of the trailing commission program or cancel it at any time.

Other Kinds of Dealer Compensation

We pay for marketing materials that we give to dealers to help support their sales efforts. These materials include reports and commentaries on securities, the markets, Mackenzie Funds and the services we offer to you.

We may share with dealers up to 50% of their costs in marketing the Mackenzie Funds. For example, we may pay a portion of the costs of a dealer in advertising the availability of the Mackenzie Funds through the financial advisors of the dealer. We may also pay part of the costs of a dealer in running a seminar to inform you about the Mackenzie Funds or generally about the benefits of investing in mutual funds.

We may pay up to 10% of the costs of some dealers to hold educational seminars or conferences for their financial advisors in order to teach them about, among other things, new developments in the mutual fund industry, financial planning or new financial products. The dealer makes all decisions about where and when the conference is held and who can attend.

We also arrange seminars and conferences for financial advisors where we inform them about new developments in the Mackenzie Funds, our products and services and mutual fund industry matters. We invite dealers to send their financial advisors to our seminars and conferences, but we do not decide who attends. The financial advisors must pay their own travel, accommodation and personal expenses for attending our seminars and conferences.

Disclosure of Equity Interests

We are an indirect, wholly owned subsidiary of IGM Financial Inc. (“**IGM**”), a financial services company listed on the TSX. IGM is a majority-owned subsidiary of Power Financial Corporation (“**Power**”). Great-West Lifeco Inc. (“**GWL**”) is also a majority-owned subsidiary of Power. IGM’s activities are principally carried out through us, Investors Group Inc. and Investment Planning Counsel

Inc. (“**IPCI**”). Other indirect, wholly owned subsidiaries of IGM who are therefore affiliated with us and who, as dealers, may hold, sell and/or recommend securities of the Mackenzie Funds include (a) Investors Group Securities Inc. and IPC Securities Corporation (each an investment dealer), and (b) Investors Group Financial Services Inc. and IPC Investment Corporation (each a mutual fund dealer). Each of the Investors Group companies is wholly owned by Investors Group Inc. Each of the IPC companies is wholly owned by IPCI.

GWL’s activities are principally carried out through its subsidiaries: The Great-West Life Assurance Company, London Life Insurance Company and The Canada Life Assurance Company. Other indirectly owned subsidiaries of GWL who are therefore affiliated with us and who, as dealers, may hold, sell and/or recommend securities of the Mackenzie Funds include Quadrus Investment Services Ltd. (a mutual fund dealer). All investment dealers and mutual fund dealers referenced above are, collectively, “**participating dealers**”. From time to time, representatives of any of the participating dealers may own, directly or indirectly, shares of IGM, GWL or Power.

Please refer to the annual information form for additional details on the relevant corporate relationships within the Power Group of Companies.

DEALER COMPENSATION FROM MANAGEMENT FEES

During our financial year ended December 31, 2017, we paid to dealers who distributed securities of Mackenzie Funds total cash compensation (sales commissions, trailing commissions and other kinds of cash compensation) representing approximately 42.9% of the total management fees which we received from all of our funds in that year.

INCOME TAX CONSIDERATIONS

This is a general summary of certain Canadian federal income tax considerations applicable to you as an investor in the Fund. This summary assumes that you are an individual (other than a trust) resident in Canada and that you hold your units directly, as capital property or within a registered plan. **This summary is not intended to be legal advice or tax advice. We have tried to make this discussion easy to understand. As a result, it may not be technically precise or cover all the tax consequences that may be relevant to you. Accordingly, you should consult your own tax advisor, having regard to your own particular circumstances when you consider purchasing, switching or redeeming units of the Fund.**

This summary is based on the current provisions of the *Income Tax Act* (Canada) (the “**Tax Act**”), the regulations under the Tax Act, all proposals for specific amendments to the Tax Act or the regulations that have been publicly announced by the Minister of Finance (Canada) before the date hereof and our understanding of the current published administrative practices and assessing policies of the Canada Revenue Agency. Except for the foregoing, this summary does not take into account or anticipate any change in law, whether by legislative, regulatory, administrative or judicial action. Furthermore, this summary does not take into account provincial, territorial or foreign income tax legislation or considerations.

How the Fund is Taxed

The following paragraphs describe some of the ways in which mutual funds can earn income:

- Mutual funds can earn income in the form of interest, dividends or income from the investments they make, including in other mutual funds, and can be deemed to earn income from investments in certain foreign entities. All income must be computed in Canadian dollars, even if earned in a foreign currency.
- Mutual funds can realize a capital gain by selling an investment for more than its adjusted cost base (“**ACB**”). They can also realize a capital loss by selling an investment for less than its ACB. A mutual fund that invests in foreign-denominated securities must calculate its ACB and proceeds of disposition in Canadian dollars based on the conversion rate on the date the securities were purchased and sold, as applicable. As a result, a mutual fund may realize capital gains and losses due to changes in the value of the foreign currency relative to the Canadian dollar.
- Mutual funds can realize gains and losses from using derivatives or engaging in short selling. Generally, gains and losses from derivatives are added to or subtracted from the mutual fund’s income. However, if derivatives are used by a mutual fund as a hedge to limit its gain or loss on a specific capital asset or group of capital assets, then the gains and losses from these derivatives are generally capital gains or capital losses. Generally, gains and losses from short selling Canadian securities are treated as capital, and gains and losses from short selling foreign securities are treated as income.
- Gains and losses from trading in precious metals and bullion will be treated on income account, rather than as capital gains and losses.

In certain circumstances, the Fund may be subject to loss restriction rules that deny or defer the deduction of certain losses. For example, a capital loss realized by the Fund will be suspended if, during the period that begins 30 days before and ends 30 days after the date on which the capital loss was realized, the Fund or an affiliated person (as defined in the Tax Act) acquires property that is, or is identical to, the property on which the loss was realized and owns that property at the end of the period.

Since the Fund is organized as a trust, the following sections describe the taxation of these types of entities.

Trust Fund

The Fund will be established in 2018 and is expected to qualify as a “**mutual fund trust**” for purposes of the Tax Act by the time it files its first tax return in which it will make an election to be deemed to be a mutual fund trust from the date it was created. The Fund is expected to be a mutual fund trust throughout its 2018 and later taxation years.

The Fund computes its income or loss separately. All of the Fund's deductible expenses, including management fees, will be deducted in calculating the Fund's income for each taxation year. The Fund will be subject to tax on its net income, including net taxable capital gains, not paid or payable to its investors for the taxation year after taking into consideration any loss carry-forwards and any capital gains refund. The Fund intends to pay to investors enough of its income and capital gains for each taxation year so that it will not be liable for ordinary income tax under Part I of the Tax Act.

The losses of the Fund may be restricted when a person or partnership becomes a "majority-interest beneficiary" of the Fund (generally by holding units representing more than 50% of NAV of the Fund) unless the Fund qualifies as an "investment fund" by satisfying certain investment diversification and other conditions. It is expected that the Fund will qualify as an "investment fund" under the Tax Act.

Trust Fund that does not qualify as "mutual fund trust"

A trust fund that does not qualify as a "mutual fund trust" for purposes of the Tax Act throughout its taxation year is not eligible for the capital gains refund and could be subject to alternative minimum tax for the year, as well as other taxes under the Tax Act. In addition, if one or more "financial institutions", as defined in the Tax Act, owns more than 50% of the fair market value of the units of such a trust fund, that trust fund will be a "financial institution" for the purposes of the "mark-to-market" tax rules. In this case, most of the trust fund's investments would be considered mark-to-market property, with the result that

- it will be deemed to have disposed of and re-acquired its mark-to-market property at the end of each taxation year, as well as at such time as it becomes, or ceases to be, a financial institution; and
- the gains and losses from these deemed dispositions will be on income account, not capital account.

Taxation of the Fund if Investing in Foreign-Domiciled Underlying Trusts

Section 94.2

The Fund may invest in foreign-domiciled underlying investment funds that qualify as "exempt foreign trusts" (the "Underlying Trust Funds") for purposes of the non-resident trust rules in sections 94 and 94.2 of the Tax Act.

If the total fair market value at any time of all fixed interests of a particular class in an Underlying Trust Fund held by the Fund, persons or partnerships not dealing at arm's length with the Fund, or persons or partnerships that acquired their interests in the Underlying Trust Fund in exchange for consideration given to the Underlying Trust Fund by the Fund, is at least 10% of the total fair market value at the time of all fixed interests of the particular class of the Underlying Trust Fund, the Underlying Trust Fund will be a "foreign affiliate" of the Fund and will be deemed by section 94.2 of the Tax Act to be at the time a "controlled foreign affiliate" ("CFA") of the Fund.

If the Underlying Trust Fund is deemed to be a CFA of the Fund at the end of the particular taxation year of the Underlying Trust Fund and earns income that is characterized as "foreign accrual property income" as defined in the Tax Act ("FAPI") in that taxation year of the Underlying Trust Fund, the Fund's proportionate share of the FAPI (subject to deduction for grossed up "foreign accrual tax" as discussed below) must be included in computing its income for Canadian federal income tax purposes for the taxation year of the Fund in which that taxation year of the Underlying Trust Fund ends, whether or not the Fund actually receives a distribution of that FAPI. It is expected that the full amount of the income, as determined for Canadian federal income tax purposes, allocated or distributed to an Underlying Trust Fund by the issuers that it holds securities of will be FAPI. FAPI will also include any net realized taxable capital gains, as determined for Canadian federal income tax purposes, of the Underlying Trust Fund from the disposition of those securities.

To the extent an amount of FAPI will be required to be included in computing the income of the Fund for Canadian federal income tax purposes, a grossed-up amount may be deductible in respect of the "foreign accrual tax" as defined in the Tax Act ("FAT"), if any, applicable to the FAPI. Any amount of FAPI included in income (net the amount of any FAT deduction) will increase the adjusted cost base to the Fund of its units of the Underlying Trust Fund in respect of which the FAPI was included.

How You Are Taxed on a Fund Investment

How you are taxed on an investment in the Fund depends on whether you hold the investment inside or outside a registered plan.

If you own the Fund outside a registered plan

Distributions

You must include in your income for a taxation year the taxable portion of all distributions (including Fee Distributions) paid or payable (collectively, "paid") to you from the Fund during the year, computed in Canadian dollars, whether these amounts were paid to you in cash or reinvested in additional units. The amount of reinvested distributions is added to the ACB of your units to reduce your capital gain or increase your capital loss when you later redeem. This ensures that you do not pay tax on the amount again at a later date.

Distributions paid by the Fund may consist of capital gains, ordinary taxable dividends, foreign-source income, other income and/or return of capital.

Ordinary taxable dividends are included in your income, subject to the gross-up and dividend tax credit rules. Capital gains distributions will be treated as capital gains realized by you, one-half of which will generally be included in calculating your income as a taxable capital gain. The Fund may make designations in respect of its foreign-source income so that you may be able to claim any foreign tax credits allocated to you by the Fund.

You may receive a return of capital from your Fund. You will not be taxed on a return of capital, but it will reduce the ACB of your units of the Fund such that, when you redeem your units, you will realize a greater capital gain (or smaller capital loss) than if you had not

received the return of capital. If the ACB of your units is reduced to less than zero, the ACB of your units will be deemed to be increased to zero and you will be deemed to realize a capital gain equal to the amount of this increase.

When you buy units of the Fund on or before the record date of a distribution, you will receive the distribution and be subject to tax on the taxable portion of the distribution, if any, even though the Fund may have earned the related income or realized the related gains before you owned the units.

The higher the portfolio turnover rate of the Fund in a year, the greater the chance that you will receive a capital gains distribution. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

Sales charges and fees

A sales charge paid on the purchase of units is not deductible in computing your income but is added to the ACB of your units.

The fees that you pay for Series O and PWX units (“**Unbundled Fees**”) consist of advisory fees that you pay to your dealer and management fees that you pay to us. To the extent that such fees are collected by redemption of units, you will realize gains or losses in non-registered accounts. The deductibility of Unbundled Fees, for income tax purposes, will depend on the exact nature of services provided to you and the type of investment held. Fees relating to services provided to registered accounts are not deductible for income tax purposes, regardless of whether such fees were charged to the registered account. You should consult with your tax advisor regarding the deductibility of Unbundled Fees paid in your particular circumstance.

Switches

You will not realize a capital gain or capital loss when you switch between series of the Fund. The cost of the acquired units will be equal to the ACB of the units that you switched.

Other switches involve a redemption of the units being switched and a purchase of the units acquired on the switch.

Redemptions

You will realize a capital gain (capital loss) if any of your units in the Fund are redeemed. Generally, your capital gain (capital loss) will be the amount by which the NAV of the redeemed units is greater (less) than the ACB of those units. You may deduct other expenses of redemption when calculating your capital gain (capital loss). Generally, one-half of your capital gain is included in your income for tax purposes as a taxable capital gain and one-half of your capital loss can be deducted against your taxable capital gains, subject to the provisions of the Tax Act.

In certain circumstances, loss restriction rules will limit or eliminate the amount of a capital loss that you may deduct. For example, a capital loss that you realize on a redemption of units will be deemed to be nil if, during the period that begins 30 days before and ends 30 days after the day of that redemption, you acquired identical units (including through the reinvestment of distributions or a Fee Distribution paid to you) and you continue to own these identical

units at the end of that period. In this case, the amount of the denied capital loss will be added to the ACB of your units. This rule will also apply where the identical units are acquired and held by a person affiliated with you (as defined in the Tax Act).

Calculating Your ACB

Your ACB must be calculated separately for each series of units that you own in the Fund and must be calculated in Canadian dollars. The total ACB of your units of a particular series of the Fund is generally equal to

- the total of all amounts you paid to purchase those units, including any sales charges paid by you at the time of purchase;

plus

- the ACB of any units of another series and/or Mackenzie Fund that were switched on a tax-deferred basis into securities of the particular series;

plus

- the amount of any reinvested distributions on that series;

less

- the return of capital component of distributions on that series;

less

- the ACB of any units of the series that were switched on a tax-deferred basis into units of another series and/or Mackenzie Fund;

less

- the ACB of any of your units of that series that have been redeemed.

The ACB of a single security is the total ACB divided by the number of units.

For example, suppose you own 500 units of a particular series of the Fund with an ACB of \$10 each (a total of \$5,000). Suppose you then purchase another 100 units of the same series of the Fund for an additional \$1,200, including a sales charge. Your total ACB is \$6,200 for 600 units so that your new ACB of each unit of the series of the Fund is \$6,200 divided by 600 units or \$10.33 per unit.

Alternative minimum tax

Amounts included in your income as ordinary taxable dividends or capital gains distributed by the Fund, as well as any capital gains realized by you on the disposition of units, may increase your liability for alternative minimum tax.

Tax statements and reporting

If applicable, we will send tax statements to you each year identifying the taxable portion of your distributions, the return of capital component of distributions and redemption proceeds paid to you for each year. Tax statements will not be sent to you if you did not

receive distributions or redemption proceeds, or if units are held in your registered plan. You should keep detailed records of your purchase cost, sales charges, distributions and redemption proceeds in order to calculate the ACB of your units. You may wish to consult a tax advisor to help you with these calculations.

Generally, you will be required to provide your financial advisor with information related to your citizenship, tax residence and, if applicable, your foreign tax identification number. If you are identified as a U.S. citizen (including a U.S. citizen living in Canada), U.S. resident, or a foreign tax resident, details of your investment in the Fund will generally be reported to the Canada Revenue Agency unless units are held inside a registered plan. The Canada Revenue Agency may provide the information to the relevant foreign tax authorities under exchange of information treaties.

If you own the Fund inside a registered plan

When units of the Fund are held in your registered plan, generally, neither you nor your registered plan will be taxed on distributions received from the Fund or capital gains realized on the disposition of the units of the Fund provided the units are a qualified investment and are not a prohibited investment for the registered plan. However, a withdrawal from a registered plan may be subject to tax.

The units of the Fund are expected to be a qualified investment for registered plans at all times.

A unit of the Fund may be a prohibited investment for your registered plan (other than a DPSP) even though it is a qualified investment. If your registered plan holds a prohibited investment, you become liable to a 50% potentially refundable tax on the value of the prohibited investment and a 100% tax on income and capital gains attributable to, and capital gains realized on, the disposition of the prohibited investment. Under a safe harbour rule for new mutual funds, units of the Fund will not be a prohibited investment for your registered plan at any time during the first 24 months of the Fund's

existence provided the Fund is a registered investment or deemed to be a mutual fund trust under the Tax Act during that time and is in substantial compliance with NI 81-102 or follows a reasonable policy of investment diversification.

You should consult with your own tax advisor regarding the special rules that apply to each type of registered plan, including whether or not a particular unit of the Fund would be a prohibited investment for your registered plan. It is your responsibility to determine the tax consequences to you and your registered plan of establishing the registered plan and causing it to invest in the Fund. Neither we nor the Fund assume any liability to you as a result of making the Fund and/or series available for investment within registered plans.

WHAT ARE YOUR LEGAL RIGHTS?

Securities legislation in some provinces gives you the right to withdraw from an agreement to buy securities of a mutual fund within two (2) Business Days of receiving the Fund Facts, or to cancel your purchase within forty-eight (48) hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy securities of a mutual fund and get your money back, or to make a claim for damages, if (i) the Fund Facts are not sent or delivered to you within the time required under securities legislation, or (ii) the simplified prospectus, annual information form, Fund Facts or financial statements misrepresent any facts about the mutual fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

PART B: SPECIFIC INFORMATION ABOUT MACKENZIE MULTI-STRATEGY ABSOLUTE RETURN FUND

ORGANIZATION AND MANAGEMENT OF THE MACKENZIE MULTI-STRATEGY ABSOLUTE RETURN FUND

Manager Mackenzie Financial Corporation 180 Queen Street West Toronto, Ontario M5V 3K1	We manage the overall business of the Fund, including selecting the portfolio management team for the Fund's portfolio, providing the Fund with accounting and administration services and promoting sales of the Fund's units through independent financial advisors in each province and territory of Canada.
Trustee Mackenzie Financial Corporation Toronto, Ontario	The Fund is organized as a unit trust. When you invest in the Fund, you are buying units of the trust. The trustee holds the actual title to the cash and securities owned by the Fund on your behalf.
Portfolio Manager Mackenzie Financial Corporation Toronto, Ontario	<p>In our capacity as manager, we have ultimate responsibility for and directly provide the portfolio management services provided to the Fund.</p> <p>The portfolio manager makes the purchase and sale decisions for securities in a Fund's portfolio.</p>
Custodian Canadian Imperial Bank of Commerce ("CIBC") Toronto, Ontario	The custodian has custody of the securities in the Fund's portfolio.
Registrar Mackenzie Financial Corporation Toronto, Ontario	As registrar, we keep track of the owners of units of the Fund, process purchase, switch and redemption orders, issue investor account statements and issue annual tax-reporting information.
Auditor Deloitte LLP Toronto, Ontario	The auditor audits the annual financial statements of the Fund and provides an opinion on whether or not the annual financial statements are fairly presented in accordance with International Financial Reporting Standards.
Securities Lending Agent CIBC Toronto, Ontario	CIBC acts as agent for securities lending transactions for the Fund.
Mackenzie Funds' Independent Review Committee	<p>The mandate of the Mackenzie Funds' Independent Review Committee ("IRC") is to review and provide input on our written policies and procedures that deal with conflict-of-interest matters in respect of a Mackenzie Fund and to review and, in some cases, approve conflict-of-interest matters. This includes reviewing a Mackenzie Fund's holdings, purchases and sales of securities of companies related to us. The IRC may also approve certain mergers involving the Mackenzie Funds and any change of the auditor of the Mackenzie Funds. Investor approval will not be obtained in these circumstances, but the affected Mackenzie Fund's investors will be sent a written notice at least 60 days before the effective date of any such merger or change of auditor. The IRC presently consists of the following four members: Robert Hines (Chair), George Hucal, Martin Taylor and Scott Edmonds.</p> <p>Each member of the IRC is independent of us, the Mackenzie Funds and any party related to us. The IRC prepares, at least annually, a report of its activities for investors. This report is available on our website at www.mackenzieinvestments.com, or you may request a copy, at no cost to you, by contacting us at service@mackenzieinvestments.com.</p> <p>Additional information about the IRC is available in the annual information form.</p>

Exemptions from NI 81-102

The Fund is subject to certain restrictions and practices contained in securities legislation, including NI 81-102, which are designed, in part, to ensure that the investments of mutual funds are diversified and relatively liquid and to ensure the proper administration of mutual

funds. We intend to manage the Fund in accordance with these restrictions and practices or to obtain relief from the securities regulatory authorities before implementing any variations. The following provides a description of the exemptions that the Fund has received from the provisions of NI 81-102, and/or a description of the general investment activity.

A) ETF Relief

The Fund has obtained an exemption from the Canadian securities regulatory authorities which allows them to purchase and hold securities of the following types of ETFs (collectively, the “**Underlying ETFs**”):

- (a) ETFs that seek to provide daily results that replicate the daily performance of a specified widely quoted market index (the ETF’s “**Underlying Index**”) by a multiple of up to 200% (“**Leveraged Bull ETFs**”), inverse multiple of up to 100% (“**Inverse ETFs**”), or an inverse multiple of up to 200% (“**Leveraged Bear ETFs**”);
- (b) ETFs that seek to replicate the performance of gold or silver, or the value of a specified derivative whose underlying interest is gold or silver on an unlevered basis (“**Underlying Gold or Silver Interest**”), or by a multiple of up to 200% (collectively, the “**Leveraged Gold/Silver ETFs**”); and
- (c) ETFs that invest directly, or indirectly through derivatives, in physical commodities, including, but not limited to, agriculture or livestock, energy, precious metals and industrial metals, on an unlevered basis (“**Unlevered Commodity ETFs**”), and, together with the Leveraged Gold/Silver ETFs, the “**Commodity ETFs**”).

This relief is subject to the following conditions:

- the Fund’s investment in securities of an Underlying ETF must be in accordance with its fundamental investment objectives;
- the securities of the Underlying ETF must be traded on a stock exchange in Canada or the United States;
- the Fund may not purchase securities of an Underlying ETF if, immediately after the transaction, more than 10% of the NAV of the Fund, taken at market value at the time of the transaction, would consist of securities of Underlying ETFs; and
- the Fund may not purchase securities of Inverse ETFs or securities of Leveraged Bear ETFs or sell any securities short if, immediately after the transaction, the Fund’s aggregate market value exposure represented by all such securities purchased and/or sold short would exceed 20% of the NAV of the Fund, taken at market value at the time of the transaction.

B) Cleared Swaps Relief

The Fund has received an exemption from the counterparty credit rating requirement, the counterparty exposure threshold and the custodial requirements set out in NI 81-102, in order to permit the

Funds (a) to clear certain swaps, such as interest rate and credit default swaps, entered into with a futures commission merchant that is registered with the U.S. Commodity Futures Trading Commission and/or is a clearing member for purposes of European Market Infrastructure Regulation, and is a member of a clearing corporation (“**Futures Commission Merchant**”), and (b) to deposit cash and other assets directly with the Futures Commission Merchant, and indirectly with a clearing corporation, as margin for such swaps.

In the case of Futures Commission Merchants located in Canada, the Futures Commission Merchant must be a member of a self-regulatory organization that is a member of the Canadian Investor Protection Fund. In the case of Futures Commission Merchants located outside of Canada, the Futures Commission Merchant must (i) have a net worth, determined from its most recent audited financial statements, of more than \$50 million, and (ii) be a member of a clearing corporation subject to a regulatory audit. In all instances, the amount of margin already held by the applicable Futures Commission Merchant must not exceed 10% of the NAV of the Fund at the time of deposit.

C) Alternative Fund Investment Relief

The Fund has received the following exemptions from NI 81-102:

- subsection 2.1(1), to permit the Fund to invest more than 10% of its net asset value in the securities of a single issuer;
- subsections 2.3(d), (e), (f), (g) and (h) to permit the Fund to invest in precious metal certificates other than permitted gold certificates; to invest in such certificates if, immediately after the purchase, more than 10 percent of its net asset value would be made up of precious metal certificates; and to invest in physical commodities other than gold certificates either directly or through the use of specified derivatives;
- to purchase, sell or use specified derivatives and/or debt-like securities other than in compliance with subsections 2.7(1), (2), (3) and sections 2.8 and 2.11;
- section 2.6 to permit the Fund to borrow cash to use for investment purposes in excess of the limits set out in subsection 2.6(a) and to grant a security interest of its assets in connection therewith;
- subsections 2.6.1(1)(c) and 2.6.1(2) and (3) to permit the Fund to borrow securities from a borrowing agent to sell securities short within prescribed limitations; and
- section 6.8 to permit the Fund to deposit with its lender, assets over which it has granted a security interest in connection with borrowing cash above.

MACKENZIE MULTI-STRATEGY ABSOLUTE RETURN FUND

Fund Details

Type of Fund	Alternative Fund
Start Date	April 27, 2018
Units Offered	Series Start Date
Series A	April 27, 2018
Series F	April 27, 2018
Series FB	April 27, 2018
Series O	April 27, 2018
Series PW	April 27, 2018
Series PWFB	April 27, 2018
Series PWX	April 27, 2018
Registered Plan Qualified	The units are expected to be qualified investments for registered plans

What Does the Fund Invest In?

Investment Objectives

The Fund seeks to provide a positive total return over a market cycle, regardless of market conditions or general market direction, by employing one or more of the following alternative investment strategies: Credit Absolute Return, Global Macro, Long/Short Equity and/or Equity Market Neutral. These strategies will be used to gain exposure to a broad range of asset classes, including equities, fixed-income securities and/or convertible securities issued by companies anywhere in the world, including emerging markets. The Fund may also invest up to 100% or more of its net assets in foreign currencies and/or physical commodities. The Fund may also engage in physical short sales and/or borrowing for investment purposes.

The Fund's aggregate gross exposure, calculated as the sum of the following, must not exceed three times the Fund's net asset value: (i) the aggregate market value of the Fund's long positions; (ii) the aggregate market value of physical short sales on equities, fixed-income securities or other portfolio assets; and (iii) the aggregate notional value of the Fund's specified derivatives positions excluding any specified derivatives used for hedging purposes.

Any change to the investment objectives must be approved by a majority of votes cast at a meeting of security holders held for that reason.

Investment Strategies

The Fund will be managed with a disciplined strategic asset allocation approach. The asset allocation portfolio manager employs a disciplined total portfolio management approach to constructing the Fund. The Fund is built upon long-term strategic allocations to each underlying strategy.

The Fund has the flexibility to dynamically tilt the allocations according to the attractiveness of each of the underlying strategies discussed below. The Fund will be allocated tactically over the short

to medium term based on changes to the market outlook and risk assessment.

- The Fund's Credit Absolute Return strategy uses a global, flexible and actively managed approach to adding value through the use of multiple sectors, geographies, and parts of the capital structure. The strategy will use a levered long-short, and/or a momentum-long approach to corporate investments, as well as independent systematic strategies using a long-short currency model and a duration timing model. Tail risk management and security selection will also be features of this strategy. This strategy may include investment-grade bonds; lower quality fixed-income investments, which may include instruments that have a weighted average credit quality below investment grade (rated below "BBB-" by S&P or an equivalent rating from another recognized credit rating organization) or that are unrated; mortgage- and asset-backed securities; preferred shares; floating rate debt instruments and other floating securities. The strategy may invest in all types of government and corporate fixed-income securities and instruments. It will employ a flexible approach, investing across various fixed-income credit ratings, duration, structures, sectors, currencies and countries, and may, at any time, invest a significant portion of its net assets in any one area noted above. The Credit Absolute Return strategy may borrow cash for investment purposes and may engage in physical short sales.
- The Fund's Long/Short Equity and Equity Market Neutral strategies seek long and short exposure to a diversified portfolio of equities which involves simultaneously investing in equities (investing long) the portfolio manager expects to increase in value and immediately selling equities (short sales or short selling) the portfolio manager expects to decrease in value relative to its comparables and/or where the portfolio manager expects these positions will minimize portfolio risk. The portfolio manager's investment process is quantitative and disciplined. A sophisticated quantitative stock selection process that utilizes a multi-factor model to exploit market inefficiencies is used. The Equity Market Neutral strategy seeks to enhance returns by exploiting pricing inefficiencies between related equity securities and neutralizing exposure to market risk by maintaining long and short positions. These strategies seek to exploit pricing inefficiencies between related equity securities with some exposure to market risk. The Long/Short Equity and Equity Market Neutral strategies may borrow cash for investment purposes and may engage in physical short sales.
- The Fund's Global Macro strategy seeks to enhance returns by taking advantage of movement in the prices of securities that are highly sensitive to macro-economic conditions, across a broad spectrum of assets. This strategy provides long and short exposure to equities, currencies, fixed-income securities, interest rates and commodities markets. The Global Macro strategy aims

for true diversification across risk factors, investment strategies, time horizons, and economic exposures.

The Credit Absolute Return, Long/Short Equity, Equity Market Neutral and Global Macro strategies have the flexibility to benefit from price movements of securities through significant use of derivatives, physical short sales and cash borrowing for investment purposes.

The Fund is generally intended to have a low correlation to the equity, bond and credit markets. The Fund may, directly or indirectly through investments in other investment funds, use derivative instruments. The Fund will employ a flexible approach to its use of derivative instruments and has the ability to opportunistically use options, swaps, futures and forward contracts for hedging or non-hedging purposes under different market conditions. The Fund may use derivative instruments where the underlying interest of the derivative is an exchange-traded fund.

The Fund, when taking a “short” position, may sell an instrument that it does not own and would then borrow to meet its settlement obligations. The Fund may also take “short” positions in futures, forwards or swaps. A “short” position will benefit from a decrease in price of the underlying instrument and will lose value if the price of the underlying instrument increases. A “long” position will benefit from an increase in price of the security and will lose value if the price of the security decreases.

The Fund may borrow cash up to a maximum of 50% of its net asset value and may sell securities short, whereby the aggregate market value of securities sold short will be limited to 50% of its net asset value. The combined use of short-selling and cash borrowing by the Fund is subject to an overall limit of 50% of its net asset value.

The Fund has received exemptive relief to invest up to 20% of its net asset value in securities of a single issuer including exposure to that single issuer through specified derivative transactions or index participation units.

The Fund may engage in securities lending, repurchase and reverse repurchase transactions to earn additional income for the Fund. On any securities lending, repurchase and reverse repurchase transaction, the Fund must, unless it has been granted relief,

- deal only with counterparties who meet generally accepted creditworthiness standards and who are unrelated to the Fund’s portfolio manager, manager or trustee as defined in NI 81-102;
- hold collateral equal to a minimum 102% of the market value of the portfolio securities loaned (for securities lending transactions), sold (for repurchase transactions) or purchased (for reverse repurchase transactions);
- adjust the amount of the collateral on each business day to ensure the value of the collateral relative to the market value of the portfolio securities loaned, sold or purchased remains at or above the minimum 102% limit; and
- limit the aggregate value of all portfolio securities loaned or sold through securities lending and repurchase transactions to no more than 50% of the total assets of

the Fund (without including the collateral for loaned securities and cash for sold securities).

The Fund may use derivatives such as futures, currency forwards, options and swaps for “hedging” purposes to reduce the Fund’s exposure to changes in securities prices, interest rates, exchange rates or other risks. Derivatives may also be used for “non-hedging” purposes, which may include the following: (i) as substitute investments for stocks or a stock market; (ii) to gain exposure to other currencies; (iii) to seek to generate additional income; or (iv) for any other purpose that is consistent with the Fund’s investment objectives. The Fund has received exemptive relief to allow it to invest in specified derivatives, uncovered derivatives or enter into derivatives contracts with counterparties that do not have a designated rating as defined in NI 81-102. Please visit our website at www.mackenzieinvestments.com/currency for more information about the Fund’s use of currency hedging. For more information on derivatives used by the Fund for hedging and non-hedging purposes as at the last day of the applicable financial reporting period, please refer to the Fund’s most recent financial statements. Please also refer to the explanation of risks that accompany the use of derivatives under “Derivatives Risk” in the “What are the Risks of Investing in a Mutual Fund?” section of this document.

The Fund may hold a portion of its net assets in securities of other investment funds, including ETFs, which may be managed by us, in accordance with its investment objectives. For more information see the “Fund of Funds” disclosure under “Fees and Expenses”.

Depending on market conditions, the portfolio managers’ investment styles may result in a higher portfolio turnover rate than less actively managed funds. Although generally the higher the Fund’s portfolio turnover rate, the higher its trading expenses, in the case of this fund, which holds fixed-income products that are traded over the counter (rather than on an exchange), there may be situations where increased turnover actually reduces trading costs. The higher the portfolio turnover rate the greater the probability that you will receive a distribution of capital gains from the Fund, which may be taxable if you hold the Fund outside a registered plan. There is no proven relationship between a high turnover rate and the performance of a mutual fund.

The Fund has obtained exemptive relief to engage in short selling, subject to certain limits and conditions, including the following:

- the aggregate market value of all securities sold short by the Fund will not exceed 50% of the total net assets of the Fund;
- the aggregate market value of all securities of any particular issuer sold short by the Fund will not exceed 10% of the total net assets of the Fund;
- the Fund will not deposit collateral with a dealer in Canada unless the dealer is registered in a jurisdiction of Canada and is a member of IIROC; and
- the Fund will not deposit collateral with a dealer outside Canada unless that dealer (a) is a member of a stock exchange that requires the dealer to be subjected to a

regulatory audit; and (b) has a net worth in excess of CDN \$50 million.

The Fund has obtained exemptive relief to invest in gold, silver or other physical commodities or instruments (such as derivatives and ETFs) that provide exposure to physical commodities.

What are the Risks of Investing in the Fund?

The following risks are based upon the Fund's expected investments, investment practices and are related to the material risks of investing in the Fund under normal market conditions, based on global markets that are not experiencing significant volatility, when considering the Fund's portfolio as a whole, not each individual investment within the portfolio.

We have classified each of the applicable risks as either "primary", "secondary" or "low or not a risk". We consider the primary risks to be the more significant risks in respect of the Fund because they occur more frequently and/or because their occurrence will have a more significant impact on the Fund's value. We consider the secondary risks relatively less significant because they occur less frequently and/or because their occurrence will have a less significant impact on the Fund's value. Low or not a risk means that we consider the risk to be either very remote or non-existent. **All of the applicable risks should be understood and discussed with your financial advisor before making any investment in the Fund.**

This Fund invests directly or indirectly in non-traditional equity and fixed-income securities, including emerging-market equities and lower-rated debt securities, which subjects the Fund to market risk. This combination subjects the Fund to a variety of risks inherent in both types of investments, including company risk, credit risk, interest rate risk and prepayment risk. Since the Fund invests outside of Canada, it is subject to foreign markets risk and foreign currency risk. The Fund uses derivatives extensively for hedging and non-hedging purposes, which subjects the Fund to derivatives risk and leverage risk. These and other risks are described starting on page 1. The following table shows which risks apply to this Fund:

Risk Checklist

	Primary Risk	Secondary Risk	Low or Not a Risk
Commodity	●		
Company	●		
Concentration		●	
Convertible Securities		●	
Credit	●		
Derivatives	●		
Emerging Markets	●		
ETF		●	
Foreign Currency	●		
Foreign Markets	●		

	Primary Risk	Secondary Risk	Low or Not a Risk
High Yield Securities		●	
Illiquidity	●		
Interest Rate	●		
Large Transaction		●	
Legislation		●	
Leverage	●		
Market		●	
Portfolio Manager		●	
Prepayment	●		
Securities Lending, Repurchase and Reverse Repurchase Transaction		●	
Senior Loans		●	
Series		●	
Short Selling	●		
Small Company		●	

Although the Fund's objective is to seek a positive total return regardless of market conditions over a market cycle, there is no guarantee the Fund will realize a positive return in any given year or over any time period.

Who Should Invest in this Fund?

You should consider this Fund if you

- are looking for a low- to medium-risk, diversified absolute-return portfolio of alternative investment strategies to hold as part of your balanced portfolio,
- want a medium-term investment,
- can handle the volatility of stock, bond, commodity and currency markets.

The risk rating of "low to medium" assigned to the Fund is required to be determined in accordance with a standardized risk classification methodology that is based on the historical volatility of the Fund, as measured by the 10-year standard deviation of the returns of the Fund. Since the Fund is new, we calculate the investment risk level using a reference index that is reasonably expected to approximate, the standard deviation of the Fund.

Here are the investment risk rating categories:

- **Low** – for Funds with a level of risk that is typically associated with investments in money market funds and/or Canadian fixed-income funds;

- **Low to Medium** – for Funds with a level of risk that is typically associated with investments in balanced funds and global and/or corporate fixed-income funds;
- **Medium** – for Funds with a level of risk that is typically associated with investments in equity portfolios that are diversified among a number of large-capitalization Canadian and/or international equity securities;
- **Medium to High** – for Funds with a level of risk that is typically associated with investments in equity funds that may concentrate their investments in specific regions or specific sectors of the economy; and
- **High** – for Funds with a level of risk that is typically associated with investment in equity portfolios that may concentrate their investments in specific regions or specific sectors of the economy where there is a substantial risk of loss (e.g., emerging markets, precious metals).

The following chart sets out a description of the reference index used for the Fund since it has less than 10 years of performance history:

Table 8:

Mackenzie Fund	Reference Index/Reference Fund
Mackenzie Multi-Strategy Absolute Return Fund	<p>Blend: 33% Hedge Fund Research Index Relative Value Index – The Hedge Fund Research Index Relative Value Index is comprised of hedge funds where the managers employ a variety of fundamental and quantitative techniques to establish investment theses across a broad range of equity, fixed-income, derivative and other security types.</p> <p>33% Hedge Fund Research Index Equity Hedge Index – The Hedge Fund Research Index Equity Hedge Index is comprised of hedge funds where the managers maintain both long and short positions primarily in equity and equity derivative securities and employ a wide variety of investment processes, including both quantitative and fundamental techniques; broad and narrow strategies in terms of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges.</p> <p>33% Hedge Fund Research Index Macro Index – The Hedge Fund Research Index Macro Index is comprised of hedge funds where the managers employ a variety of techniques, both discretionary and systematic analysis, combinations of top-down and bottom-up theses, quantitative and fundamental approaches and long- and short-term holding periods.</p>

There may be times when we believe this methodology produces a result that does not reflect the Fund's risk based on other qualitative factors. As a result, we may place the Fund in a higher risk rating category, but the Fund can never be placed in a lower risk rating category.

You should know that other types of risks, both measurable and non-measurable, exist. Also, just as historical performance may not be indicative of future returns, historical volatility may not be indicative of future volatility. The risk rating of the Fund is identified under the

sub-heading “**Who Should Invest in this Fund?**” and is reviewed annually and at any time that the risk rating is no longer reasonable in the circumstances. A more detailed explanation of the risk classification methodology used to identify the risk ratings of the Fund is available on request, at no cost, by calling toll free at 1-800-387-0614 or by writing to Mackenzie Financial Corporation, 180 Queen Street West, Toronto, Ontario M5V 3K1.

Distribution Policy

Each December, the Fund may distribute any undistributed net income and any net capital gains for the year to investors who own units on the distribution record date, but only to the extent required to ensure that the Fund itself will not pay income tax.

Distributions will be reinvested, without charge, in additional units of the series on which they were paid, unless you elect in advance to receive them in cash. You may not elect to receive these distributions in cash if your units are held in a Mackenzie Investments-sponsored registered plan (unless that registered plan is a TFSA, in which case, you may elect to have these distributions paid outside of the TFSA).

Fund Expenses Indirectly Borne by Investors

With certain exceptions as described under “**Fees and Expenses**”, the Administration Fees, management fees and fund costs, are

generally paid out of the Fund’s assets, reducing the investment return on your units. This section contains an example table of the amount of expenses that would be payable by the Fund (for each series of the Fund’s units) on a \$1,000 investment, assuming that the Fund earns a constant 5% per year and the MERs for each series of units remain the same as for the past year, for the complete 10 years shown in the example. In the event we have waived a portion of our management fees or Administration Fees, or absorbed some of the Fund’s fund costs during the past financial year, the MER would have been higher had it not done so and, consequently, that would have increased the Fund expenses indirectly borne by you. The fees and expenses which you pay directly, and which are not included in the Fund’s MERs, are described in the “**Fees and Expenses Payable Directly by You**” section of this document.

The example table will help you to compare the cumulative costs of investing in the Fund with the similar costs of investing in other mutual funds. Please remember that it is only an example and that the Fund’s actual expenses will vary each year.

There is no table provided of Fund expenses indirectly borne by investors for the Funds listed below because the Fund is new.



MACKENZIE FUNDS

Mackenzie Multi-Strategy Absolute Return Fund

Additional information about the Funds is available in the fund facts, annual information form, management reports of Fund performance and financial statements. These documents are incorporated by reference in this simplified prospectus, which means that they legally form part of this document just as if they were printed as part of this document.

You can get a copy of these documents, at your request, and at no cost, by calling toll-free 1-800-387-0614, or from your financial advisor or by e-mail at service@mackenzieinvestments.com.

These documents and other information about the Funds, such as information circulars and material contracts, are also available at www.mackenzieinvestments.com or at www.sedar.com.

MANAGER OF THE FUNDS:

Mackenzie Financial Corporation
180 Queen Street West
Toronto, Ontario M5V 3K1