

MACKENZIE GLOBAL LONG/SHORT EQUITY ALPHA FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ALTERNATIVE FUND

MANAGEMENT REPORT

Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by Mackenzie Financial Corporation, as Manager of Mackenzie Global Long/Short Equity Alpha Fund (the "Fund"). The Manager is responsible for the integrity, objectivity and reliability of the data presented. This responsibility includes selecting appropriate accounting principles and making judgments and estimates consistent with International Financial Reporting Standards. The Manager is also responsible for the development of internal controls over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors (the "Board") of Mackenzie Financial Corporation is responsible for reviewing and approving the financial statements and overseeing the Manager's performance of its financial reporting responsibilities. The Board is assisted in discharging this responsibility by an Audit Committee, which reviews the financial statements and recommends them for approval by the Board. The Audit Committee also meets regularly with the Manager, internal auditors and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues.

Deloitte LLP is the external auditor of the Fund. It is appointed by the Board. The external auditor has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express to the securityholders its opinion on the financial statements. Its report is set out below.

On behalf of Mackenzie Financial Corporation,
Manager of the Fund



Barry McInerney
President and Chief Executive Officer



Terry Rountes
Chief Financial Officer, Funds

July 13, 2020

INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Mackenzie Global Long/Short Equity Alpha Fund (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at March 31, 2020 and 2019, and the statements of comprehensive income, changes in financial position and cash flows for the periods then ended, as indicated in Note 1, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2020 and 2019, and its financial performance and its cash flows for the periods then ended, as indicated in Note 1, in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information which comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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INDEPENDENT AUDITOR'S REPORT (cont'd)

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
July 13, 2020



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STATEMENTS OF FINANCIAL POSITION

*In thousands (except per security figures)
As at March 31*

	2020	2019
	\$	\$
ASSETS		
Current assets		
Investments at fair value	20,929	31,311
Cash and cash equivalents	511	115
Dividends receivable	101	83
Accounts receivable for investments sold	–	–
Accounts receivable for securities issued	3	–
Due from manager	–	15
Total assets	21,544	31,524
LIABILITIES		
Current liabilities		
Investments sold short at fair value	4,411	7,006
Accounts payable for investments purchased	14	–
Accounts payable for securities redeemed	–	–
Dividends payable on securities sold short	14	9
Total liabilities	4,439	7,015
Net assets attributable to securityholders	17,105	24,509
Net assets attributable to securityholders per series (note 3)		
Series A	21	2
Series F	254	51
Series FB	1	1
Series O	1	1
Series PW	121	1
Series PWFB	1	1
Series PWX	1	1
Series R	16,705	24,451
Net assets attributable to securityholders per security (note 3)		
Series A	6.61	9.79
Series F	6.72	9.81
Series FB	6.71	9.81
Series O	6.82	9.82
Series PW	6.64	9.80
Series PWFB	6.74	9.81
Series PWX	6.82	9.82
Series R	6.82	9.82

STATEMENTS OF COMPREHENSIVE INCOME

*For the periods ended March 31 (note 1)
In thousands (except per security figures)*

	2020	2019
	\$	\$
Income (note 9(e))		
Dividends	1,001	119
Interest income	57	2
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(3,317)	16
Net unrealized gain (loss)	(4,822)	(562)
Total income (loss)	(7,081)	(425)
Expenses (note 6)		
Management fees	3	–
Interest charges	7	–
Borrowing fees	146	–
Commissions and other portfolio transaction costs	146	10
Independent Review Committee fees	–	–
Expenses before amounts absorbed by Manager	302	10
Expenses absorbed by Manager	–	–
Net expenses	302	10
Increase (decrease) in net assets attributable to securityholders from operations before tax	(7,383)	(435)
Foreign withholding taxes	117	17
Foreign income taxes paid (recovered)	–	–
Increase (decrease) in net assets attributable to securityholders from operations	(7,500)	(452)
Increase (decrease) in net assets attributable to securityholders from operations per series		
Series A	(6)	(2)
Series F	(119)	–
Series FB	–	–
Series O	–	–
Series PW	2	–
Series PWFB	–	–
Series PWX	–	–
Series R	(7,377)	(450)
Increase (decrease) in net assets attributable to securityholders from operations per security		
Series A	(6.51)	(0.19)
Series F	(6.58)	(0.16)
Series FB	(3.10)	(0.17)
Series O	(2.99)	(0.16)
Series PW	1.22	(0.18)
Series PWFB	(3.07)	(0.17)
Series PWX	(2.06)	(0.16)
Series R	(2.98)	(0.18)

The accompanying notes are an integral part of these financial statements.



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STATEMENTS OF CHANGES IN FINANCIAL POSITION

For the periods ended March 31 (note 1)
In thousands

	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Series A		Series F		Series FB		Series O		Series PW	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS	\$		\$		\$		\$		\$	
Beginning of period	2	–	51	–	1	–	1	–	1	–
Increase (decrease) in net assets from operations	(6)	(2)	(119)	–	–	–	–	–	2	–
Distributions paid to securityholders:										
Investment income	–	–	–	–	–	–	–	–	–	–
Capital gains	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	–	–	–	–	–	–	–	–	–	–
Security transactions:										
Proceeds from securities issued	149	149	454	51	–	1	–	1	118	1
Reinvested distributions	–	–	–	–	–	–	–	–	–	–
Payments on redemption of securities	(124)	(145)	(132)	–	–	–	–	–	–	–
Total security transactions	25	4	322	51	–	1	–	1	118	1
Total increase (decrease) in net assets	19	2	203	51	–	1	–	1	120	1
End of period	21	2	254	51	1	1	1	1	121	1
Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	–	–	5	–	–	–	–	–	–	–
Issued	22	15	49	5	–	–	–	–	18	–
Reinvested distributions	–	–	–	–	–	–	–	–	–	–
Redeemed	(19)	(15)	(16)	–	–	–	–	–	–	–
Securities outstanding – end of period	3	–	38	5	–	–	–	–	18	–
	Series PWFB		Series PWX		Series R		Total			
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS	\$		\$		\$		\$			
Beginning of period	1	–	1	–	24,451	–	24,509	–		
Increase (decrease) in net assets from operations	–	–	–	–	(7,377)	(450)	(7,500)	(452)		
Distributions paid to securityholders:										
Investment income	–	–	–	–	–	–	–	–		
Capital gains	–	–	–	–	–	–	–	–		
Total distributions paid to securityholders	–	–	–	–	–	–	–	–		
Security transactions:										
Proceeds from securities issued	–	1	7	1	–	24,901	728	25,106		
Reinvested distributions	–	–	–	–	–	–	–	–		
Payments on redemption of securities	–	–	(7)	–	(369)	–	(632)	(145)		
Total security transactions	–	1	–	1	(369)	24,901	96	24,961		
Total increase (decrease) in net assets	–	1	–	1	(7,746)	24,451	(7,404)	24,509		
End of period	1	1	1	1	16,705	24,451	17,105	24,509		
Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities					
Securities outstanding – beginning of period	–	–	–	–	2,490	–				
Issued	–	–	1	–	–	2,490				
Reinvested distributions	–	–	–	–	–	–				
Redeemed	–	–	(1)	–	(42)	–				
Securities outstanding – end of period	–	–	–	–	2,448	2,490				

The accompanying notes are an integral part of these financial statements.

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STATEMENTS OF CASH FLOWS

For the periods ended March 31 (note 1)
In thousands

	2020	2019
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	(7,500)	(452)
Adjustments for:		
Net realized loss (gain) on investments	3,332	15
Change in net unrealized loss (gain) on investments	4,822	562
Purchase of investments	(67,581)	(33,567)
Proceeds from sale and maturity of investments	67,227	8,685
Change in dividends receivable	(18)	(83)
Change in due from manager	15	(15)
Change in dividends payable on securities sold short	5	9
Net cash from operating activities	302	(24,846)
Cash flows from financing activities		
Proceeds from securities issued	348	25,106
Payments on redemption of securities	(255)	(145)
Distributions paid net of reinvestments	–	–
Net cash from financing activities	93	24,961
Net increase (decrease) in cash and cash equivalents	395	115
Cash and cash equivalents at beginning of period	115	–
Effect of exchange rate fluctuations on cash and cash equivalents	1	–
Cash and cash equivalents at end of period	511	115
Cash	511	115
Cash equivalents	–	–
Cash and cash equivalents at end of period	511	115
Supplementary disclosures on cash flow from operating activities:		
Dividends received	1,088	49
Dividends paid	100	4
Foreign taxes paid	117	17
Interest received	57	2
Interest paid	7	–

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SCHEDULE OF INVESTMENTS

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
LONG PORTFOLIO					
EQUITIES					
Abcam PLC	United Kingdom	Health Care	3,594	86	72
Acco Brands Corp.	United States	Industrials	28,610	348	204
AEON REIT Investment Corp.	Japan	Real Estate	117	181	158
AerCap Holdings NV	Ireland	Industrials	2,040	125	66
Affiliated Managers Group Inc.	United States	Financials	1,198	128	100
Akamai Technologies Inc.	United States	Information Technology	930	85	120
Alarm.com Holdings Inc.	United States	Information Technology	3,100	183	170
Alexander & Baldwin Inc.	United States	Real Estate	14,350	459	227
Alten	France	Information Technology	713	97	72
Amkor Technology Inc.	United States	Information Technology	15,000	179	165
Ams AG	Austria	Information Technology	7,893	528	110
Amuse Inc.	Japan	Communication Services	5,200	155	154
Anritsu Corp.	Japan	Information Technology	7,500	198	196
Apple Hospitality REIT Inc.	United States	Real Estate	12,659	256	164
Aristocrat Leisure Ltd.	Australia	Consumer Discretionary	7,800	242	142
Artisan Partners Asset Management Inc. Class A	United States	Financials	4,115	140	125
Athene Holding Ltd.	United States	Financials	4,900	184	171
Atkore International Group Inc.	United States	Industrials	6,538	201	194
Barratt Developments PLC	United Kingdom	Consumer Discretionary	14,721	226	113
Brighthouse Financial Inc.	United States	Financials	2,776	138	95
Bure Equity AB	Sweden	Financials	12,000	306	267
C&C Group PLC	Ireland	Consumer Staples	41,725	239	143
Cabot Oil & Gas Corp.	United States	Energy	7,700	182	187
Capcom Co. Ltd.	Japan	Communication Services	5,800	250	256
Carl Zeiss Meditec AG	Germany	Health Care	693	108	95
The Chemours Co.	United States	Materials	17,143	394	214
Cloudera Inc.	United States	Information Technology	15,600	181	173
CMC Markets PLC	United Kingdom	Financials	62,500	185	196
Cochlear Ltd.	Australia	Health Care	1,700	317	275
Colony NorthStar Inc. Class A	United States	Real Estate	29,820	228	74
Colruyt SA	Belgium	Consumer Staples	2,100	167	160
Comture Corp.	Japan	Information Technology	4,600	100	132
Constellation Software Inc.	Canada	Information Technology	83	92	106
CoreCivic Inc.	United States	Real Estate	14,400	468	227
Dialog Semiconductor PLC	United Kingdom	Information Technology	4,050	164	154
DiamondRock Hospitality Co.	United States	Real Estate	18,100	246	130
DISH Network Corp. Class A	United States	Communication Services	6,000	186	169
DMC Global Inc.	United States	Energy	7,395	471	240
DocuSign Inc.	United States	Information Technology	1,600	186	208
Drax Group PLC	United Kingdom	Utilities	83,700	466	225
Essity AB	Sweden	Consumer Staples	4,500	189	193
Evolution Gaming Group AB	Sweden	Consumer Discretionary	5,838	143	279
FibroGen Inc.	United States	Health Care	6,200	304	304
First Republic Bank	United States	Financials		14	–
Flagstar Bancorp Inc.	United States	Financials	4,900	244	137
FNF Group	United States	Financials	2,356	132	83
Fortescue Metals Group Ltd.	Australia	Materials	36,871	228	318
Galapagos NV	Belgium	Health Care	610	85	170
Galenica AG	Switzerland	Health Care	1,700	161	164



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SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
LONG PORTFOLIO (cont'd)					
EQUITIES (cont'd)					
Genesco Inc.	United States	Consumer Discretionary	8,459	530	159
GN Store Nord AS (GN Great Nordic)	Denmark	Health Care	3,600	244	227
The Goodyear Tire & Rubber Co.	United States	Consumer Discretionary	8,200	177	67
Great Lakes Dredge & Dock Corp.	United States	Industrials	21,000	309	246
Hersha Hospitality Trust	United States	Real Estate	15,120	374	76
HollyFrontier Corp.	United States	Energy	3,400	251	117
Humana Inc.	United States	Health Care	500	208	221
Huntington Ingalls Industries Inc.	United States	Industrials	820	229	211
HUYA Inc. ADR	China	Communication Services	8,390	228	200
Hydro One Inc.	Canada	Utilities	5,141	149	130
IDP Education Ltd.	Australia	Consumer Discretionary	13,537	185	132
Jupiter Fund Management PLC	United Kingdom	Financials	60,300	406	211
Just Group PLC	United Kingdom	Financials	192,000	189	181
Kansas City Southern	United States	Industrials	1,086	157	195
Kenedix Retail REIT Corp.	Japan	Real Estate	100	325	199
Kirkland Lake Gold Ltd.	Canada	Materials	4,691	224	194
Leonteq AG	Switzerland	Financials	3,300	183	183
Lindt & Sprungli AG-PC	Switzerland	Consumer Staples	20	228	238
M.D.C. Holdings Inc.	United States	Consumer Discretionary	4,400	248	144
MarketAxess Holdings Inc.	United States	Financials	510	245	239
Marriott Vacations Worldwide Corp.	United States	Consumer Discretionary	1,970	323	154
MasTec Inc.	United States	Industrials	4,550	371	210
Medpace Holdings Inc.	United States	Health Care	1,815	132	188
National Retail Properties Inc.	United States	Real Estate	3,200	242	145
NetApp Inc.	United States	Information Technology	1,550	136	91
Neurocrine Biosciences Inc.	United States	Health Care	1,614	211	197
New Oriental Education & Technology Group Inc. ADR	China	Consumer Discretionary	500	80	76
New Senior Investment Group Inc.	United States	Real Estate	38,800	333	140
Next PLC	United Kingdom	Consumer Discretionary	2,031	234	144
Nippon Carbon Co. Ltd.	Japan	Industrials	6,000	387	252
Nomura Research Institute Ltd.	Japan	Information Technology	8,200	215	244
NRG Energy Inc.	United States	Utilities	3,303	156	127
O-I Glass Inc.	United States	Materials	24,446	424	245
OneMain Holdings Inc.	United States	Financials	6,400	309	173
OSI Systems Inc.	United States	Information Technology	1,240	142	120
Pan Pacific International Holdings Corp.	Japan	Consumer Discretionary	9,800	244	262
Pentair PLC	United Kingdom	Industrials	5,600	305	235
Perdoceo Education Corp.	United States	Consumer Discretionary	15,306	354	233
Persimmon PLC	United Kingdom	Consumer Discretionary	2,269	129	76
Qorvo Inc.	United States	Information Technology	880	129	100
Radian Group Inc.	United States	Financials	4,519	139	83
The Restaurant Group PLC	United Kingdom	Consumer Discretionary	–	6	–
Rightmove PLC	United Kingdom	Communication Services	36,450	335	310
Sartorius Stedim Biotech SA	France	Health Care	322	70	91
Schweitzer-Mauduit International Inc.	United States	Materials	3,173	168	124
Seagate Technology	United States	Information Technology	1,210	75	83
Shun Tak Holdings Ltd.	Hong Kong	Industrials	476,000	256	228
Silgan Holdings Inc.	United States	Materials	5,500	226	225
SimCorp AS	Denmark	Information Technology	1,363	163	162



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As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
LONG PORTFOLIO (cont'd)					
EQUITIES (cont'd)					
Skyworks Solutions Inc.	United States	Information Technology	1,250	161	158
SL Green Realty Corp.	United States	Real Estate	2,300	255	140
SMART Global Holdings Inc.	United States	Information Technology	2,791	73	96
Softcat PLC	United Kingdom	Information Technology	11,232	147	203
The St. Joe Co.	United States	Real Estate	5,636	147	133
Summit Hotel Properties Inc.	United States	Real Estate	17,879	290	106
TDK Corp.	Japan	Information Technology	1,100	161	120
Teekay Tankers Ltd.	Bermuda	Energy	7,400	201	232
Tenet Healthcare Corp.	United States	Health Care	6,900	176	140
Tetra Tech Inc.	United States	Industrials	1,521	173	151
TFI International Inc.	Canada	Industrials	2,847	124	88
The Timken Co.	United States	Industrials	5,650	323	258
TransAlta Corp.	Canada	Utilities	35,800	319	263
TransAlta Renewables Inc.	Canada	Utilities	21,000	288	313
Trinseo SA	United States	Materials	2,400	161	61
Ubiquiti Inc.	United States	Information Technology	942	197	188
Ubisoft Entertainment SA	France	Communication Services	1,930	197	200
UDR Inc.	United States	Real Estate	3,400	218	175
Unilever PLC	United Kingdom	Consumer Staples	2,900	196	206
United Rentals Inc.	United States	Industrials	890	192	129
USANA Health Sciences Inc.	United States	Consumer Staples	1,900	164	155
Viavi Solutions Inc.	United States	Information Technology	5,140	90	81
Virtu Financial Inc.	United States	Financials	5,500	174	161
Webjet Ltd.	Australia	Consumer Discretionary	37,200	446	61
Western Alliance Bancorp	United States	Financials	1,946	124	84
WP Glimcher Inc.	United States	Real Estate	80,256	389	91
WW International Inc	United States	Consumer Discretionary	5,884	234	140
Xerox Holding Corp.	United States	Information Technology	6,610	261	176
Zoomlion Heavy Industry Science and Technology Co. Ltd.	China	Industrials	230,000	260	235
Total equities				28,099	20,929
Total long portfolio				28,099	20,929
SHORT PORTFOLIO					
EQUITIES					
Alibaba Pictures Group Ltd.	China	Communication Services	(570,000)	(134)	(103)
Allakos Inc.	United States	Health Care	(850)	(71)	(53)
Annaly Capital Management Inc.	United States	Financials	(6,000)	(74)	(43)
Argan Inc.	United States	Industrials	(1,270)	(76)	(62)
Atreca Inc. Class A	United States	Health Care	(4,560)	(134)	(106)
Autoneum Holding AG	Switzerland	Consumer Discretionary	(1,200)	(197)	(106)
BeiGene Ltd.	China	Health Care	(630)	(131)	(109)
BEST Inc. ADR	China	Industrials	(13,100)	(96)	(99)
Box Inc.	United States	Information Technology	(5,900)	(153)	(117)
Cabot Microelectronics Corp.	United States	Information Technology	(720)	(135)	(116)
Capita Group PLC	United Kingdom	Industrials	(106,630)	(219)	(61)
Chenerie Energy Inc.	United States	Energy	(2,100)	(175)	(99)
The Children's Place Retail Stores Inc.	United States	Consumer Discretionary	(900)	(76)	(25)
China ZhengTong Auto Services Holdings Ltd.	Cayman Islands	Consumer Discretionary	(358,000)	(158)	(80)



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SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
SHORT PORTFOLIO (cont'd)					
EQUITIES (cont'd)					
Clinuvel Pharmaceuticals Ltd.	Australia	Health Care	(10,200)	(169)	(172)
CryoPort Inc.	United States	Health Care	(3,000)	(72)	(72)
Duluth Holdings Inc.	United States	Consumer Discretionary	(7,300)	(160)	(41)
Evolent Health Inc. Class A	United States	Health Care	(13,700)	(121)	(105)
GCP Applied Technologies Inc.	United States	Materials	(4,900)	(180)	(123)
GNI Group Ltd.	Japan	Health Care	(6,000)	(92)	(100)
GoDaddy Inc.	United States	Information Technology	(780)	(77)	(63)
Invitae Corp.	United States	Health Care	(5,750)	(122)	(111)
Kunlun Energy Co. Ltd.	China	Utilities	(78,000)	(83)	(63)
Laurentian Bank of Canada	Canada	Financials	(2,200)	(97)	(67)
Liberty TripAdvisor Holdings Inc. Class A	United States	Communication Services	(19,300)	(182)	(49)
McEwen Mining Inc.	United States	Materials	(71,000)	(112)	(66)
MegaChips Corp.	Japan	Information Technology	(3,370)	(84)	(68)
Mercari Inc.	Japan	Consumer Discretionary	(5,000)	(133)	(137)
Mersana Therapeutics Inc.	United States	Health Care	(7,200)	(83)	(59)
Moneysupermarket.com Group PLC	United Kingdom	Consumer Discretionary	(25,650)	(144)	(136)
Myovant Sciences Ltd.	United States	Health Care	(4,800)	(74)	(51)
New Relic Inc.	United States	Information Technology	(1,600)	(121)	(104)
Nordstrom Inc.	United States	Consumer Discretionary	(4,020)	(157)	(87)
Ocado Group PLC	United Kingdom	Consumer Discretionary	(3,400)	(72)	(72)
Puma Biotechnology Inc.	United States	Health Care	(4,900)	(62)	(58)
Redwood Trust Inc.	United States	Financials	(8,700)	(186)	(62)
Roku Inc.	United States	Communication Services	(1,000)	(174)	(123)
Segro PLC	United Kingdom	Real Estate	(3,065)	(11)	(41)
SFS Group AG	Switzerland	Industrials	(720)	(64)	(76)
Shaftesbury PLC	United Kingdom	Real Estate	(11,000)	(165)	(119)
St James's Place PLC	United Kingdom	Financials	(9,400)	(168)	(126)
Stericycle Inc.	United States	Industrials	(1,550)	(96)	(106)
Summit Industrial Income Real Estate Investment Trust	Canada	Real Estate	(14,200)	(157)	(126)
SunPower Corp. Class A	United States	Information Technology	(16,200)	(163)	(116)
Tritax Big Box REIT PLC	United Kingdom	Real Estate	(61,020)	(151)	(119)
TUI AG	Germany	Consumer Discretionary	(5,550)	(83)	(35)
ViewRay Inc.	United States	Health Care	(17,000)	(72)	(60)
Vivint Solar Inc.	United States	Industrials	(12,100)	(120)	(75)
WD-40 Co.	United States	Consumer Staples	(320)	(76)	(91)
Western Asset Mortgage Capital Corp.	United States	Financials	(13,600)	(185)	(44)
Zai Lab Ltd. ADR	China	Health Care	(1,500)	(77)	(109)
Total equities				(6,174)	(4,411)
Total short portfolio				(6,174)	(4,411)
Transaction costs				(26)	–
Total investments				21,899	16,518
Cash and cash equivalents					511
Other assets less liabilities					76
Total net assets					17,105



MACKENZIE
Investments

MACKENZIE GLOBAL LONG/SHORT EQUITY ALPHA FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ALTERNATIVE FUND

SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2020			
Portfolio Allocation	% of NAV		
	Long	Short	Net
Equities	122.4	(25.8)	96.6
Cash and short-term investments	3.0	–	3.0
Other assets (liabilities)	0.4	–	0.4

Regional Allocation			
	% of NAV		
	Long	Short	Net
United States	63.3	(13.4)	49.9
Japan	11.6	(1.8)	9.8
United Kingdom	13.6	(3.9)	9.7
Canada	6.4	(1.1)	5.3
Australia	5.4	(1.0)	4.4
Sweden	4.3	–	4.3
Cash and short-term investments	3.0	–	3.0
Switzerland	3.4	(1.1)	2.3
Denmark	2.3	–	2.3
France	2.1	–	2.1
Belgium	1.9	–	1.9
Bermuda	1.4	–	1.4
Hong Kong	1.3	–	1.3
Ireland	1.2	–	1.2
Austria	0.6	–	0.6
Other assets (liabilities)	0.4	–	0.4
Other	3.6	(3.5)	0.1

Sector Allocation			
	% of NAV		
	Long	Short	Net
Information technology	20.1	(3.4)	16.7
Industrials	17.0	(2.8)	14.2
Financials	14.5	(2.0)	12.5
Real estate	12.8	(2.4)	10.4
Consumer discretionary	12.8	(4.2)	8.6
Materials	8.1	(1.1)	7.0
Consumer staples	6.4	(0.5)	5.9
Communication services	7.5	(1.6)	5.9
Utilities	6.2	(0.4)	5.8
Health care	12.5	(6.8)	5.7
Energy	4.5	(0.6)	3.9
Cash and short-term investments	3.0	–	3.0
Other assets (liabilities)	0.4	–	0.4

March 31, 2019			
Portfolio Allocation	% of NAV		
	Long	Short	Net
Equities	127.7	(28.6)	99.1
Cash and short-term investments	0.5	–	0.5
Other assets (liabilities)	0.4	–	0.4

Regional Allocation			
	% of NAV		
	Long	Short	Net
United States	71.4	(15.3)	56.1
Japan	15.5	(2.6)	12.9
France	6.4	–	6.4
United Kingdom	10.0	(5.0)	5.0
Australia	4.8	–	4.8
Spain	3.3	–	3.3
Sweden	3.2	(0.8)	2.4
Switzerland	2.2	–	2.2
Denmark	1.8	–	1.8
Finland	1.8	–	1.8
Canada	3.4	(2.4)	1.0
Ireland	0.9	–	0.9
Kazakhstan	0.7	–	0.7
Cash and short-term investments	0.5	–	0.5
Other assets (liabilities)	0.4	–	0.4
Norway	0.9	(0.9)	0.0
Germany	1.4	(1.6)	(0.2)

Sector Allocation			
	% of NAV		
	Long	Short	Net
Industrials	23.9	(3.9)	20.0
Information technology	23.5	(5.3)	18.2
Real estate	16.7	(4.5)	12.2
Consumer discretionary	17.2	(5.6)	11.6
Financials	10.0	(0.3)	9.7
Materials	10.8	(1.8)	9.0
Health care	15.0	(6.4)	8.6
Energy	5.7	–	5.7
Utilities	3.2	–	3.2
Communication services	1.7	(0.5)	1.2
Cash and short-term investments	0.5	–	0.5
Other assets (liabilities)	0.4	–	0.4
Consumer staples	–	(0.3)	(0.3)



MACKENZIE
Investments

NOTES TO FINANCIAL STATEMENTS

1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the periods ended or as at March 31, 2020 and 2019, as applicable. In the year a Fund or series is established or reinstated, 'period' represents the period from inception or reinstatement. Refer to Note 9 for the formation date of the Fund and the inception date of each series.

The Fund is organized as an open-ended mutual fund trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust as amended and restated from time to time. The address of the Fund's registered office is 180 Queen Street West, Toronto, Ontario, Canada. The Fund is authorized to issue an unlimited number of units (referred to as "security" or "securities") of multiple series. Series of the Fund are available for sale under Simplified Prospectus or exempt distribution options.

Mackenzie Financial Corporation ("Mackenzie") is the manager of the Fund and is wholly owned by IGM Financial Inc., a subsidiary of Power Corporation of Canada. The Canada Life Assurance Company is also a subsidiary of Power Corporation of Canada. Investments in companies within the Power Group of companies held by the Fund are identified in the Schedule of Investments.

2. Basis of Preparation and Presentation

These audited annual financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). A summary of the Fund's significant accounting policies under IFRS is presented in Note 3.

These financial statements are presented in Canadian dollars, which is the Fund's functional and presentation currency, and rounded to the nearest thousand unless otherwise indicated. These financial statements are prepared on a going concern basis using the historical cost basis, except for financial assets and liabilities that have been measured at fair value.

These financial statements were authorized for issue by the Board of Directors of Mackenzie Financial Corporation on July 13, 2020.

3. Significant Accounting Policies

(a) Financial instruments

Financial instruments include financial assets and liabilities such as debt and equity securities, open-ended investment funds and derivatives. The Fund classifies and measures financial instruments in accordance with IFRS 9, *Financial Instruments* ("IFRS 9"). Upon initial recognition, financial instruments are classified as fair value through profit or loss ("FVTPL"). All financial instruments are recognized in the Statement of Financial Position when the Fund becomes a party to the contractual requirements of the instrument. Financial assets are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation is discharged, cancelled or expires. As such, investment purchase and sale transactions are recorded as of the trade date.

Financial instruments are subsequently measured at FVTPL with changes in fair value recognized in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net unrealized gain (loss).

The Fund's redeemable securities contain multiple dissimilar contractual obligations and therefore meet the criteria for classification as financial liabilities under IAS 32, *Financial Instruments: Presentation*. The Fund's obligation for net assets attributable to securityholders is presented at the redemption amount.

IAS 7, *Statement of Cash Flows*, requires disclosures related to changes in liabilities and assets, such as the securities of the Fund, arising from financing activities. Changes in securities of the Fund, including both changes from cash flows and non-cash changes, are included in the Statement of Changes in Financial Position. Any changes in the securities not settled in cash as at the end of the period are presented as either Accounts receivable for securities issued or Accounts payable for securities redeemed in the Statement of Financial Position. These accounts receivable and accounts payable amounts typically settle shortly after period-end.

Realized and unrealized gains and losses on investments are calculated based on the weighted average cost of investments and exclude commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income – Commissions and other portfolio transaction costs.

Gains and losses arising from changes in the fair value of the investments are included in the Statement of Comprehensive Income for the period in which they arise.

The Fund accounts for its holdings in unlisted open-ended investment funds and exchange-traded funds, if any, at FVTPL. Mackenzie has concluded that any unlisted open-ended investment funds and exchange-traded funds in which the Fund invests, do not meet either the definition of a structured entity or the definition of an associate.

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(b) Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investments listed on a public securities exchange or traded on an over-the-counter market are valued on the basis of the last traded market price or close price recorded by the security exchange on which the security is principally traded, where this price falls within the quoted bid-ask spread for the investment. In circumstances where this price is not within the bid-ask spread, Mackenzie determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. Mutual fund securities of an underlying fund are valued on a business day at the price calculated by the manager of such underlying fund in accordance with the constating documents of such underlying fund. Unlisted or non-exchange traded investments, or investments where a last sale or close price is unavailable or investments for which market quotations are, in Mackenzie's opinion, inaccurate, unreliable, or not reflective of all available material information, are valued at their fair value as determined by Mackenzie using appropriate and accepted industry valuation techniques including valuation models. The fair value determined using valuation models requires the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices. In limited circumstances, the fair value may be determined using valuation techniques that are not supported by observable market data.

The cost of investments is determined on a weighted average cost basis.

Cash and cash equivalents which includes cash on deposit with financial institutions and short-term investments that are readily convertible to cash, are subject to an insignificant risk of changes in value, and are used by the Fund in the management of short-term commitments. Cash and cash equivalents are reported at fair value which closely approximates their amortized cost due to their nature of being highly liquid and having short terms to maturity. Bank overdraft positions are presented under current liabilities as bank indebtedness in the Statement of Financial Position.

The Fund may use derivatives (such as written options, futures, forward contracts, swaps or customized derivatives) to hedge against losses caused by changes in securities prices, interest rates or exchange rates. The Fund may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, to gain exposure to other currencies, to seek to generate additional income, and/or for any other purpose considered appropriate by the Fund's portfolio manager(s), provided that the use of the derivative is consistent with the Fund's investment objectives. Any use of derivatives will comply with Canadian mutual fund laws, subject to the regulatory exemptions granted to the Fund, as applicable. Refer to "Exemptions from National Instrument 81-102" in the Annual Information Form of the Fund for further details, including the complete conditions of these exemptions, as applicable.

Valuations of derivative instruments are carried out daily, using normal exchange reporting sources for exchange-traded derivatives and specific broker enquiry for over-the-counter derivatives.

The value of forward contracts is the gain or loss that would be realized if, on the valuation date, the positions were to be closed out. The change in value of forward contracts is included in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net unrealized gain (loss).

The value of futures contracts or swaps fluctuates daily, and cash settlements made daily, where applicable, by the Fund are equal to the unrealized gains or losses on a "mark to market" basis. These unrealized gains or losses are recorded and reported as such until the Fund closes out the contract or the contract expires. Margin paid or deposited in respect of futures contracts or swaps is reflected as a receivable in the Statement of Financial Position – Margin on derivatives. Any change in the variation margin requirement is settled daily.

Premiums received from writing options are included in the Statement of Financial Position as a liability and subsequently adjusted daily to fair value. If a written option expires unexercised, the premium received is recognized as a realized gain. If a written call option is exercised, the difference between the proceeds of the sale plus the value of the premium, and the cost of the security is recognized as a realized gain or loss. If a written put option is exercised, the cost of the security acquired is the exercise price of the option less the premium received.

Refer to the Schedule of Derivative Instruments and Schedule of Options Purchased/Written, as applicable, included in the Schedule of Investments for a listing of derivative and options positions as at March 31, 2020.

(c) Income and expense recognition

Interest income and expense from interest bearing investments is recognized using the effective interest method. Dividend income and expense is recognized as of the ex-dividend date. Dividends and interest paid on the short selling of equity and bond securities are included in the Statement of Comprehensive Income – Dividends and Interest Income, respectively. Realized gains or losses on the sale of investments, including foreign exchange gains or losses on such investments, are calculated on an average cost basis. Distributions received from an underlying fund are included in interest income, dividend income, expense, realized gains (losses) on sale of investments or fee rebate income, as appropriate.

Income, realized gains (losses) and unrealized gains (losses) are allocated daily among the series on a pro-rata basis.

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(d) Commissions and other portfolio transaction costs

Commissions and other portfolio transaction costs are costs incurred to acquire, issue or dispose of financial assets or liabilities. They include fees and commissions paid to agents, advisers, brokers and dealers. Commissions may be paid to brokerage firms which provide (or pay for) certain services, other than order execution, which may include investment research, analysis and reports, and databases or software in support of these services. Where applicable and ascertainable, the value of third-party services that were paid for by brokers during the periods is disclosed in Note 9. The value of certain proprietary services provided by brokers cannot be reasonably estimated.

(e) Securities lending, repurchase and reverse repurchase transactions

The Fund is permitted to enter into securities lending, repurchase and reverse repurchase transactions as set out in the Fund's Simplified Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date.

Securities lending transactions are administered by Canadian Imperial Bank of Commerce (the "Securities Lending Agent"). The value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions is included in the Statement of Comprehensive Income – Securities lending income and recognized when earned.

Note 9 summarizes the details of securities loaned and collateral received, as well as a reconciliation of securities lending income, if applicable.

(f) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Fund enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statement of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. Note 9 summarizes the details of such offsetting, if applicable.

Income and expenses are not offset in the Statement of Comprehensive Income unless required or permitted to by an accounting standard, as specifically disclosed in the IFRS policies of the Fund.

(g) Foreign currency

The functional and presentation currency of the Fund is Canadian dollars. Foreign currency purchases and sales of investments and foreign currency dividend and interest income and expenses are translated to Canadian dollars at the rate of exchange prevailing at the time of the transactions.

Foreign exchange gains (losses) on purchases and sales of foreign currencies are included in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net realized gain (loss).

The fair value of investments and other assets and liabilities, denominated in foreign currencies, are translated to Canadian dollars at the rate of exchange prevailing on each business day.

(h) Net assets attributable to securityholders per security

Net assets attributable to securityholders per security is computed by dividing the net assets attributable to securityholders of a series of securities on a business day by the total number of securities of the series outstanding on that day.

(i) Net asset value per security

The daily Net Asset Value ("NAV") of an investment fund may be calculated without reference to IFRS as per the Canadian Securities Administrators' ("CSA") regulations. The difference between NAV and Net assets attributable to securityholders (as reported in the financial statements), if any, is mainly due to differences in fair value of investments and other financial assets and liabilities. Refer to Note 9 for the Fund's NAV per security.

(j) Increase (decrease) in net assets attributable to securityholders from operations per security

Increase (decrease) in net assets attributable to securityholders from operations per security in the Statement of Comprehensive Income represents the increase (decrease) in net assets attributable to securityholders from operations for the period, divided by the weighted average number of securities outstanding during the period.

(k) Mergers

The Fund applies the acquisition method of accounting for Fund mergers. Under this method, one of the Funds in each merger is identified as the acquiring Fund, and is referred to as the Continuing Fund, and the other Fund involved in the merger is referred to as the Terminated Fund. This identification is based on the comparison of the relative net asset values of the Funds as well as consideration of the continuation of such aspects of the Continuing Fund as: investment advisors; investment objectives and practices; type of portfolio securities; and management fees and expenses.

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(l) Short selling and borrowing fees

The Fund may engage in the short selling of equity and bond securities as a part of its overall investment strategy. When the Fund sells an equity or bond security short, it must borrow the security from a broker, and in exchange pay a borrowing fee to that broker, to complete the sale. The Fund can realize a gain on a short sale, if the price of the security decreases from the date the security was sold short until the date at which the Fund closes out its short position, by buying the security at a lower price and returning it back to the broker. A loss will be incurred if the price of the security increases. Limitations within the Fund's investment strategy on the Fund's ability to engage in short selling and borrowing include: (i) the aggregate market value of all securities sold short by the Fund will not exceed 50% of the total net assets of the Fund; (ii) the aggregate market value of all securities of any particular issuer sold short by the Fund will not exceed 20% of the total net assets of the Fund; (iii) the Fund may borrow cash up to a maximum of 50% of its net asset value; and (iv) 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. Gains and losses realized on the short selling of equity and bond securities are included in the Statement of Comprehensive Income – Net realized gain (loss).

4. Critical Accounting Estimates and Judgments

The preparation of these financial statements requires management to make estimates and assumptions that primarily affect the valuation of investments. Estimates and assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates.

The outbreak of the novel coronavirus (COVID-19) developed rapidly over the first three months of 2020, with the World Health Organization declaring it a pandemic on March 11, 2020, and governments around the world enacting emergency measures that resulted in business disruptions, volatility in markets and a global economic slowdown.

The Manager uses judgment in assessing the impact from such events on assumptions and estimates applied in reporting the assets and liabilities in the Fund's financial statements at March 31, 2020.

The duration and impact of the COVID-19 pandemic on businesses and markets, and the extent of economic relief measures provided by governments and central banks, are unknown at the reporting date and it is therefore not possible to reliably estimate the impact on the financial results and position of the Fund in future periods.

Use of Estimates

Fair value of securities not quoted in an active market

The Fund may hold financial instruments that are not quoted in active markets and are valued using valuation techniques that make use of observable data, to the extent practicable. Various valuation techniques are utilized, depending on a number of factors, including comparison with similar instruments for which observable market prices exist and recent arm's length market transactions. Key inputs and assumptions used are company specific and may include estimated discount rates and expected price volatilities. Changes in key inputs, could affect the reported fair value of these financial instruments held by the Fund.

Use of Judgments

Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments held by the Fund, Mackenzie is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9. Mackenzie has assessed the Fund's business model, the manner in which all financial instruments are managed and performance evaluated as a group on a fair value basis, and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Fund's financial instruments.

Functional currency

The Fund's functional and presentation currency is the Canadian dollar, which is the currency considered to best represent the economic effects of the Fund's underlying transactions, events and conditions taking into consideration the manner in which securities are issued and redeemed and how returns and performance by the Fund are measured.

Structured entities and associates

In determining whether an unlisted open-ended investment fund or an exchange-traded fund in which the Fund invests, but that it does not consolidate, meets the definitions of either a structured entity or of an associate, Mackenzie is required to make significant judgments about whether these underlying funds have the typical characteristics of a structured entity or of an associate. Mackenzie has assessed the characteristics of these underlying funds and has concluded that they do not meet the definition of either a structured entity or of an associate because the Fund does not have contracts or financing arrangements with these underlying funds and the Fund does not have an ability to influence the activities of these underlying funds or the returns it receives from investing in these underlying funds.

NOTES TO FINANCIAL STATEMENTS

5. Income Taxes

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains in the taxation year, which is not paid or payable to its securityholders as at the end of the taxation year. It is the intention of the Fund to distribute all of its net income and sufficient net realized capital gains so that the Fund will not be subject to income taxes other than foreign withholding taxes, if applicable.

Losses of the Fund cannot be allocated to investors and are retained in the Fund for use in future years. Non-capital losses may be carried forward up to 20 years to reduce taxable income and realized capital gains of future years. Capital losses may be carried forward indefinitely to reduce future realized capital gains. Refer to Note 9 for the Fund's loss carryforwards.

6. Management Fees and Operating Expenses

Mackenzie is paid a management fee for managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements relating to the purchase and sale of the investment portfolio and making arrangements with registered dealers for the purchase and sale of securities of the Fund by investors. The management fee is calculated on each series of securities of the Fund as a fixed annual percentage of the daily net asset value of the series.

Each series of the Fund is charged a fixed rate annual administration fee ("Administration Fee") and in return, Mackenzie bears all of the operating expenses of the Fund, other than certain specified fund costs. The Administration Fee is calculated on each series of securities of the Fund as a fixed annual percentage of the daily net asset value of the series.

Other fund costs include taxes (including, but not limited to GST/HST and income tax), interest and borrowing costs, all fees and expenses of the Mackenzie Funds' Independent Review Committee (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 Funds, new fees related to external services that were not commonly charged in the Canadian mutual fund industry and introduced after the date of the most recently filed simplified prospectus, and the costs of complying with any new regulatory requirements, including, without limitation, any new fees introduced after the date of the most recently filed simplified prospectus.

Mackenzie may waive or absorb management fees and/or Administration Fees at its discretion and stop waiving or absorbing such fees at any time without notice. Refer to Note 9 for the management fee and Administration Fee rates charged to each series of securities.

7. Fund's Capital

The capital of the Fund, which is comprised of the net assets attributable to securityholders, is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at March 31, 2020 and 2019 and securities issued, reinvested and redeemed for the periods are presented in the Statement of Changes in Financial Position. Mackenzie manages the capital of the Fund in accordance with the investment objectives as discussed in Note 9.

8. Financial Instruments Risk

i. Risk exposure and management

The Fund's investment activities expose it to a variety of financial risks, as defined in IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7"). The Fund's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, as at March 31, 2020, grouped by asset type, with geographic and sector information.

Mackenzie seeks to minimize potential adverse effects of financial risks on the Fund's performance by employing professional, experienced portfolio advisors, by monitoring the Fund's positions and market events daily, by diversifying the investment portfolio within the constraints of the Fund's investment objectives, and where applicable, by using derivatives to hedge certain risk exposures. To assist in managing risks, Mackenzie also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy, internal guidelines, and securities regulations.

ii. Liquidity risk

Liquidity risk arises when the Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable securities. In order to monitor the liquidity of its assets, the Fund utilizes a liquidity risk management program that calculates the number of days to convert the investments held by the Fund into cash using a multi-day liquidation approach. This liquidity risk analysis assesses the Fund's liquidity against predetermined minimum liquidity percentages established for different time periods and is monitored quarterly. In addition, the Fund has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions.

NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

ii. Liquidity risk (cont'd)

In order to comply with securities regulations, the Fund must maintain at least 90% of its assets in liquid investments (i.e., investments that can be readily sold).

iii. Currency risk

Currency risk arises when the fair value of financial instruments that are denominated in a currency other than the Canadian dollar, which is the Fund's reporting currency, fluctuates due to changes in exchange rates. Note 9 summarizes the Fund's exposure, if applicable and significant, to currency risk.

iv. Interest rate risk

Interest rate risk arises when the fair value of interest-bearing financial instruments fluctuates due to changes in the prevailing levels of market interest rates. Cash and cash equivalents do not expose the Fund to significant amounts of interest rate risk. Note 9 summarizes the Fund's exposure, if applicable and significant, to interest rate risk.

v. Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. This risk is managed through a careful selection of investments and other financial instruments within the parameters of the investment strategies. Except for certain derivative contracts and securities sold short, the maximum risk resulting from financial instruments is equivalent to their fair value. The maximum risk of loss on certain derivative contracts such as forwards, swaps, and futures contracts is equal to their notional values. In the case of written call (put) options and short futures contracts, the loss to the Fund continues to increase, without limit, as the fair value of the underlying interest increases (decreases). However, these instruments are generally used within the overall investment management process to manage the risk from the underlying investments and do not typically increase the overall risk of loss to the Fund. This risk is mitigated by ensuring that the Fund holds a combination of the underlying interest, cash cover and/or margin that is equal to or greater than the value of the derivative contract. In the case of securities sold short, the loss to the Fund continues to increase, without limit, as the fair value of the underlying interest increases. This risk is mitigated by placing limitations on the Fund's ability to sell securities short, which are outlined in Note 3(I). Note 9 summarizes the Fund's exposure, if applicable and significant, to other price risk.

vi. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. Note 9 summarizes the Fund's exposure, if applicable and significant, to credit risk.

All transactions in listed securities are executed with approved brokers. To minimize the possibility of settlement default, securities are exchanged for payment simultaneously, where market practices permit, through the facilities of a central depository and/or clearing agency where customary.

The carrying amount of investments and other assets represents the maximum credit risk exposure as at the date of the Statement of Financial Position.

The Fund may enter into securities lending transactions with counterparties and it may also be exposed to credit risk from the counterparties to the derivative instruments it may use. Credit risk associated with these transactions is considered minimal as all counterparties have a rating equivalent to a designated rating organization's credit rating of not less than A-1 (low) on their short-term debt and of A on their long-term debt, as applicable.

vii. Underlying funds

The Fund may invest in underlying funds and may be indirectly exposed to currency risk, interest rate risk, other price risk and credit risk from fluctuations in the value of financial instruments held by the underlying funds. Note 9 summarizes the Fund's exposure, if applicable and significant, to these risks from underlying funds.



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9. Fund Specific Information (in '000s, except for (a))

(a) Fund Formation and Series Information

Date of Formation January 31, 2019

The Fund may issue an unlimited number of securities of each series. The number of issued and outstanding securities of each series is disclosed in the Statements of Changes in Financial Position.

Series Offered by Mackenzie Financial Corporation (180 Queen Street West, Toronto, Ontario, M5V 3K1; 1-800-387-0614; www.mackenzieinvestments.com)

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

Series F securities are offered to retail investors who are enrolled in a dealer-sponsored fee-for-service or wrap program, who are subject to an asset-based fee rather than commissions on each transaction and who invest at least \$500; they are also available to employees of Mackenzie and its subsidiaries, and directors of Mackenzie.

Series FB securities are offered to retail investors investing a minimum of \$500. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor.

Series O securities are offered only to investors investing a minimum of \$500,000 who have an account with Mackenzie Private Wealth Counsel; certain institutional investors; investors in a qualified group plan, and certain qualifying employees of Mackenzie and its subsidiaries.

Series PW securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000.

Series PWFB securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor.

Series PWX securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.50%, with their financial advisor.

Series R securities are offered only to other affiliated funds and certain institutional investors in connection with fund-of-fund arrangements.

Each series is available for purchase under the sales charge purchase option. The charges under the sales charge purchase option are negotiated by investors with their dealers. For further details on this purchase option, please refer to the Fund's Simplified Prospectus and Fund Facts.

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Mar. 31, 2020	Mar. 31, 2019
Series A	February 26, 2019	2.25%	0.28%	6.61	9.80
Series F	February 26, 2019	1.15%	0.15%	6.72	9.81
Series FB	February 26, 2019	1.25%	0.28%	6.71	9.81
Series O	February 26, 2019	— ⁽¹⁾	—*	6.82	9.82
Series PW	February 26, 2019	2.15%	0.15%	6.64	9.80
Series PWFB	February 26, 2019	1.15%	0.15%	6.74	9.81
Series PWX	February 26, 2019	— ⁽²⁾	— ⁽²⁾	6.82	9.82
Series R	February 26, 2019	—*	—*	6.82	9.82

* Not applicable.

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

(2) This fee is payable directly to Mackenzie by investors in this series through redemptions of their securities.

(b) Investments by Mackenzie and Affiliates

As at March 31, 2020, Mackenzie and other funds managed by Mackenzie had an investment of \$5 and \$16,705 (2019 – \$10 and \$24,451), respectively, in the Fund.

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9. Fund Specific Information (in '000s, except for (a)) (cont'd)

(c) Loss Carryforwards

As at the last taxation year-end, the following losses were available to carryforward for tax purposes. Capital losses may be carried forward indefinitely to reduce future realized capital gains. Non-capital losses may be utilized to reduce future net income and realized capital gains and expire on December 15 of the years indicated.

Total Capital Loss \$	Total Non-Capital Loss \$	Expiration Date of Non-Capital Losses											
		2029 \$	2030 \$	2031 \$	2032 \$	2033 \$	2034 \$	2035 \$	2036 \$	2037 \$	2038 \$	2039 \$	
1,835	134	-	-	-	-	-	-	-	-	-	-	-	134

(d) Securities Lending

As at March 31, 2020 and 2019, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.

(e) Dividend income

Included in dividend income for the period ended March 31, 2020 are dividends paid on securities sold short of \$105 (2019 – \$13).

(f) Commissions

The value of third-party services paid for by brokers during the period is disclosed in the table below:

	(\$)
March 31, 2020	24
March 31, 2019	-

(g) Leverage

Leverage occurs when the Fund borrows money or securities, or uses derivatives, to generate investment exposure that would otherwise not be possible. The Fund's aggregate exposure to its sources of leverage is calculated as the sum of the following: (i) the market value of short holdings; (ii) the amount of cash borrowed for investment purposes; and (iii) the notional value of the Fund's derivatives positions, excluding any derivatives used for hedging purposes.

The Fund targets aggregate exposure to sources of leverage of 30% of NAV. During the period, the Fund's aggregate exposure reached a low of 25.6% (in January) and a high of 32.2% (at period-end), but any variations from the target are a temporary effect of market movement and timing of trades. The source of leverage was physical short positions in equity securities. The Fund held no derivatives.

During the period from the Fund's inception to March 31, 2019, the Fund's aggregate exposure ranged from 28.4% to 31.2% of the Fund's NAV. The low end of the range occurred at the time of the Fund's launch, when its strategies were implemented. The high end of the range was reached in March, when the Fund increased its short exposure to equity markets. The source of leverage was physical short positions in equity securities. The Fund held no derivatives.

(h) Offsetting of Financial Assets and Liabilities

As at March 31, 2020 and 2019, there were no amounts subject to offsetting.

(i) Subsequent Event

On or about August 10, 2020, investors in the Fund will vote on the proposed termination of the Fund. If investors approve, the Fund will be liquidated on or about August 21, 2020.

(j) Risks Associated with Financial Instruments

i. Risk exposure and management

The Fund seeks long-term capital appreciation and reasonable risk-adjusted returns with relatively similar volatility to the global equity market. The Fund will invest in long and short positions in equities of companies anywhere in the world. The Fund may also engage in physical short sales, borrowing and/or derivatives.

The Fund's aggregate exposure to its sources of leverage is calculated as the sum of the following sources of leverage, and must not exceed 300% of its net asset value: (i) the aggregate market value of securities sold short; (ii) the value of indebtedness under any borrowing arrangements for investment purposes; and (iii) the aggregate notional value of the Fund's specified derivatives positions, excluding any specified derivatives used for hedging purposes.



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9. Fund Specific Information (in '000s, except for (a)) (cont'd)

(j) Risks Associated with Financial Instruments (cont'd)

i. Risk exposure and management (cont'd)

The cumulative effect of the use of leverage in a market that moves adversely to a leveraged investment could result in a substantial loss which would be greater than if leverage were not used. Therefore, any event that adversely affects the value of an investment by the Fund would be magnified to the extent leverage is employed.

ii. Currency risk

The table below indicates currencies to which the Fund had significant exposure as at period end in Canadian dollar terms, including the underlying principal amount of any derivative instruments. Other financial assets and liabilities (including accrued interest and dividends receivable, and receivables/payables for investments sold/purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.

Currency	March 31, 2020			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	9,022	7	–	9,029
Japanese yen	1,668	–	–	1,668
British pound	1,371	177	–	1,548
Euro	942	(4)	–	938
Australian dollar	756	2	–	758
Swedish krona	739	–	–	739
Swiss franc	513	–	–	513
Danish krone	389	(3)	–	386
Hong Kong dollar	217	–	–	217
Total	15,617	179	–	15,796
% of Net Assets	91.3	1.0	–	92.3

Currency	March 31, 2019			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	14,230	85	–	14,315
Euro	3,172	–	–	3,172
Japanese yen	3,157	–	–	3,157
Australian dollar	1,175	(3)	–	1,172
British pound	589	(3)	–	586
Swedish krona	565	–	–	565
Swiss franc	544	–	–	544
Danish krone	430	–	–	430
Norwegian krone	10	–	–	10
Total	23,872	79	–	23,951
% of Net Assets	97.4	0.3	–	97.7

* Includes both monetary and non-monetary financial instruments

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9. Fund Specific Information (in '000s, except for (a)) (cont'd)

(j) Risks Associated with Financial Instruments (cont'd)

ii. Currency risk (cont'd)

As at March 31, 2020, had the Canadian dollar increased or decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$790 or 4.6% (2019 – \$1,198 or 4.9%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

iii. Interest rate risk

As at March 31, 2020 and 2019, the Fund did not have a significant exposure to interest rate risk.

iv. Other price risk

The Fund's most significant exposure to price risk arises from its investment in long and short equity securities. As at March 31, 2020, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased by approximately \$1,652 or 9.7% (2019 – \$2,431 or 9.9%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

v. Credit risk

As at March 31, 2020 and 2019, the Fund did not have a significant exposure to credit risk.

(k) Fair Value Classification

The table below summarizes the fair value of the Fund's financial instruments using the following fair value hierarchy:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The inputs are considered observable if they are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumption that market participants would use when pricing the asset or liability.

	March 31, 2020				March 31, 2019			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities – Long	12,720	8,209	–	20,929	31,311	–	–	31,311
Equities – Short	(2,797)	(1,614)	–	(4,411)	(7,006)	–	–	(7,006)
Total	9,923	6,595	–	16,518	24,305	–	–	24,305

The Fund's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

In accordance with the Fund's valuation policy, the Fund applies fair value adjustment factors to the quoted market prices for non-North American equities when North American intraday stock market movements exceed pre-determined tolerances. The adjustment factors are applied in order to estimate the impact on fair values of events occurring between the close of the non-North American stock markets and the close of business for the Fund. If fair value adjustment factors are applied, non-North American equities are classified as Level 2. Consequently, during the period ended March 31, 2020, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at March 31, 2020, these securities were classified as Level 2 (2019 – Level 1).



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