

# MACKENZIE ALTERNATIVE ENHANCED YIELD FUND

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## **Annual Management Report of Fund Performance**

*For the Year Ended March 31, 2024*

*This Annual Management Report of Fund Performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You may obtain a copy of the annual financial statements, at no cost, by contacting us using one of the methods noted under Fund Formation and Series Information or by visiting the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca).*

*Securityholders may also contact us using one of these methods to request a copy of the investment fund's interim financial report, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure. For more information, please refer to the Fund's Simplified Prospectus and Fund Facts, which may also be obtained, at no cost, using any of the methods outlined above.*

*For the Fund's current net asset values per security and for more recent information on general market events, please visit our website.*

### **A NOTE ON FORWARD-LOOKING STATEMENTS**

*This report may contain forward-looking statements that reflect our current expectations or forecasts of future events. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", "preliminary", "typical" and other similar expressions. In addition, these statements may relate to future corporate actions, future financial performance of a fund or a security and their future investment strategies and prospects. Forward-looking statements are inherently subject to, among other things, risks, uncertainties and assumptions that could cause actual events, results, performance or prospects to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, the volatility of global equity and capital markets, business competition, technological change, changes in government regulations, changes in securities laws and regulations, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, outbreaks of disease or pandemics (such as COVID-19), and the ability of Mackenzie to attract or retain key employees. The foregoing list of important risks, uncertainties and assumptions is not exhaustive. Please consider these and other factors carefully and do not place undue reliance on forward-looking statements.*

*The forward-looking information contained in this report is current only as of the date of this report. There should not be an expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.*

# MACKENZIE ALTERNATIVE ENHANCED YIELD FUND

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2024

## Management Discussion of Fund Performance

June 4, 2024

This Management Discussion of Fund Performance presents the portfolio management team's view on the significant factors and developments that have affected the Fund's performance and outlook in the year ended March 31, 2024 (the "period"). If the Fund was established during the period, "period" represents the period since inception.

In this report, "Mackenzie" and "the Manager" refer to Mackenzie Financial Corporation, the manager of the Fund. In addition, net asset value ("NAV") refers to the value of the Fund as calculated for transaction purposes, on which the discussion of Fund performance is based.

Please read *A Note on Forward-Looking Statements* on the first page of this document.

### Investment Objective and Strategies

The Fund seeks a high level of current income and the potential for long-term capital appreciation primarily through long and/or short positions in fixed income securities and equities of issuers anywhere in the world. The Fund's asset mix will generally range between 45%–65% fixed income securities and 35%–55% equities. The Fund may engage in physical short sales and borrowing and/or use derivatives for hedging and investment purposes.

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.

### Risk

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

The Fund is suitable for medium- to long-term investors looking for an alternative income mutual fund to hold as part of their portfolio, who can handle the volatility of bond and stock markets, and who have a low to medium tolerance for risk.

### Results of Operations

#### Investment Performance

The performance of all series in the current and previous periods is shown in the *Past Performance* section of the report. Performance will vary by series primarily because fees and expenses differ between series, or because securities of a series were not issued and outstanding for the entire reporting period. Please refer to the *Fund Formation and Series Information* section of this report for the varying management and administration fees payable by each series. The following comparison to market indices is intended to help investors understand the Fund's performance relative to the general performance of the markets. However, the Fund's mandate may be different from that of the indices shown.

During the period, the Fund's Series A securities returned 7.0% (after deducting fees and expenses paid by the series). This compares with a return of 2.5% for the Fund's broad-based index, the ICE BofA Global Broad Market (Hedged) Index, and a return of 7.1% for a blended index.\* All index and series returns are calculated

\* The blended index is composed of a 40% weighting in the ICE BofA Global Broad Market (Hedged) Index (returned 2.5%), a 25% weighting in the MSCI World High Dividend Yield (Net) Index (returned 13.4%), a 15% weighting in the ICE BofA Global High Yield (Hedged) Index (returned 10.6%), a 10% weighting in the MSCI World Infrastructure (Net) Index (returned 4.5%) and a 10% weighting in the FTSE EPRA Nareit Developed REITs Index (returned 7.5%).

on a total return basis in Canadian dollar terms. Investors cannot invest in an index without incurring fees, expenses and commissions, which are not reflected in the index returns.

Global equities rose over the period as central banks slowed the pace of interest rate increases. Gains in the U.S. equity market came largely from a small number of mega-capitalization stocks. The global economy was resilient, and employment remained strong. Inflation slowed but remained slightly above central bank targets. After July 2023, the U.S. Federal Reserve kept the federal funds rate at a target range of 5.25%–5.50%. Treasury yields reached peak levels and then fell in response to the policy shift. The Bank of Japan raised its policy rate for the first time in 17 years, but many central banks signalled potential rate cuts in 2024.

Within the MSCI World High Dividend Yield (Net) Index, Japan, Italy and Ireland were the strongest-performing markets in Canadian dollar terms, while Hong Kong, Portugal and Finland were the weakest. The consumer discretionary, information technology and financials sectors were the strongest performers, while real estate, utilities and consumer staples were the weakest.

Within the MSCI World Infrastructure (Net) Index, Japan, the Netherlands and France were the strongest-performing markets in Canadian dollar terms, while Denmark, Portugal and Finland were the weakest. The health care, energy and communication services sectors were the strongest performers, while consumer discretionary, utilities and industrials were the weakest.

Within the FTSE EPRA Nareit Developed REITs Index, France, Spain and Australia were the strongest-performing markets in Canadian dollar terms, while Italy, Hong Kong and Japan were the weakest. Among sub-industries, real estate operating companies, data center real estate investment trusts ("REITs") and hotel and resort REITs were the strongest performers, while other specialized REITs, self-storage REITs and diversified REITs were the weakest.

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

The Fund performed in line with the blended index.

Within the equity portion of the Fund, stock selection in the United States contributed to performance. In sector terms, overweight exposure to financials and underweight exposure to communication services contributed to performance. Conversely, underweight exposure to Japan and overweight exposure to Canada detracted from performance. In sector terms, stock selection in consumer discretionary and real estate detracted from performance.

Within the fixed income portion of the Fund, high-yield holdings in term loans and emerging market government bonds contributed to performance, while holdings in investment grade corporate bonds detracted from performance.

In October, the Fund implemented a covered call strategy (selling options on its equity holdings) in order to provide income while mitigating the impact of potential share price declines. This strategy detracted from performance.

At the end of June, the portfolio management team ceased to use leverage in response to high borrowing costs and an inverted yield curve (with short-term bond yields higher than long-term yields). This decreased the Fund's exposure to equities. Exposure to the United States increased, and exposure to Canada decreased.

Within the fixed income portion of the Fund, the team increased exposure to term loans and decreased exposure to corporate bonds in response to high available yields and market conditions that the team believes could result in a steepening of the yield curve (a return to a curve with short-term yields lower than long-term yields). Within the equity portion of the Fund, exposure to the real estate sector was decreased based on its relative risk-return profile. These geographic and sector changes were a result of the team's quantitative process, which seeks to maintain a well-balanced portfolio of yield-generative asset classes that is optimized for the current environment.

# MACKENZIE ALTERNATIVE ENHANCED YIELD FUND

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## Leverage

Leverage occurs when the Fund borrows money or securities, or uses derivatives, to generate investment exposure that would otherwise not be possible. The Fund's aggregate exposure to its sources of leverage is calculated as the sum of the following: (i) the market value of short holdings; (ii) the amount of cash borrowed for investment purposes; and (iii) the notional value of the Fund's derivatives positions, excluding any derivatives used for hedging purposes. This exposure must not exceed 300% of the Fund's NAV.

The Fund may use conservative amounts of leverage by borrowing to strategically help fund its yield target and monthly distribution. During the period, the Fund's aggregate exposure to sources of leverage reached a high of 42% of the Fund's NAV in May 2023, which represents the previous typical amount of leverage in the Fund. The source of leverage was cash borrowing. On June 30, 2023, the portfolio management team ceased to use leverage for the remainder of the period. Including the notional value of derivatives used for hedging, such as options, swaps and forward currency contracts, the low and high amounts of leverage ranged from 0% to 68%.

## Net Assets

The Fund's net assets decreased by 35.8% during the period to \$19.0 million. This change was composed primarily of \$1.6 million in net income (including any interest and/or dividend income) from investment performance, after deducting fees and expenses, and a decrease of \$12.2 million due to net securityholder activity (including sales, redemptions and cash distributions).

## Fees and Expenses

The management expense ratio ("MER") for each series during the year ended March 31, 2024, was generally similar to the MER for the year ended March 31, 2023. Total expenses paid vary from period to period mainly as a result of changes in average assets in each series. The MER for Series PW increased due to the Manager decreasing waivers on management and/or administration fees. The Manager may discontinue the practice of absorbing management and/or administration fees at any time without prior notice to investors. The MERs for all series are presented in the *Financial Highlights* section of this report.

## Recent Developments

The portfolio management team makes strategic allocations to income-producing asset classes using a quantitative optimization process. This process uses current yield, expected future return, risk and correlations for each asset class as inputs. These are based on historical analysis and the team's expectations for these asset classes in the current environment.

## Related Party Transactions

### Management and Administration Services

For each applicable series, the Fund paid management fees and administration fees to the Manager at the annual rates specified under *Fund Formation and Series Information* in this report and as more fully described in the Prospectus. In return for the administration fees, the Manager pays all costs and expenses (other than certain specified fund costs) required to operate the Fund that are not included in management fees. See also *Management Fees*.

### Other Related Party Transactions

The Manager is wholly owned by IGM Financial Inc., which in turn is a subsidiary of Power Corp. of Canada. Companies related to Power Corp. of Canada are therefore considered affiliates of the Manager. During the period, the Manager relied on the approval of the Mackenzie Funds' Independent Review Committee to sell all of the Fund's shares of Power Corp. of Canada. The Independent Review Committee

issued the approval on the basis that the sale of this investment would be made in compliance with the Manager's policies. The Manager's policies are designed to ensure that the related party transaction (i) is made free from any influence by an entity related to the Manager and without taking into account any considerations relevant to an entity related to the Manager; (ii) represents the business judgment of the Manager, uninfluenced by considerations other than the best interests of the Fund; and (iii) achieves a fair and reasonable result for the Fund.

Investment funds managed by Mackenzie and its affiliates may invest in the Fund. All these investments are made on a prospectus-exempt basis in accordance with the investment objectives of those funds. At March 31, 2024, funds managed by Mackenzie owned less than 0.1% of the Fund's NAV. All related party transactions are based on the NAV per security on each transaction day. As a result of these investments, the Fund may be subject to large transaction risk as discussed in the Fund's Simplified Prospectus. Mackenzie manages this risk to reduce the possibility of any adverse effect on the Fund or on its investors, through such processes as requiring advance notice of large redemptions.

During the period, the Fund received \$0.1 million in income distributions from investments in exchange-traded funds ("ETFs") managed by Mackenzie to offset fees paid within those ETFs. There is no assurance that these distributions will continue in the future.

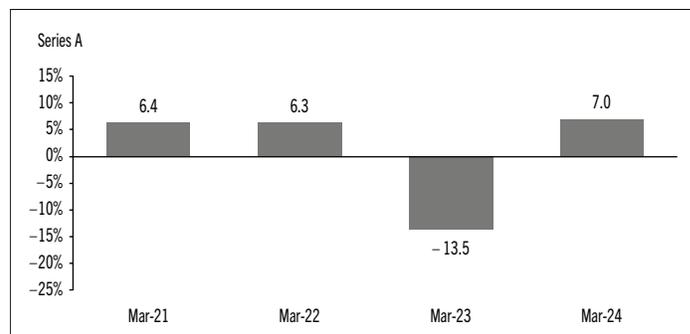
## Past Performance

The Fund's performance information assumes all distributions made by the Fund in the periods presented are reinvested in additional securities of the relevant series of the Fund. The performance information does not take into account sales, redemption, distribution or other optional charges, or income taxes payable by any investor that would have reduced returns or performance. The past performance of the Fund is not necessarily an indication of how it will perform in the future.

If you hold this Fund outside of a registered plan, income and capital gains distributions paid to you increase your income for tax purposes whether paid to you in cash or reinvested in additional securities of the Fund. The amount of reinvested taxable distributions is added to the adjusted cost base of the securities that you own. This would decrease your capital gain or increase your capital loss when you later redeem from the Fund, thereby ensuring that you are not taxed on this amount again. Please consult your tax advisor regarding your personal tax situation.

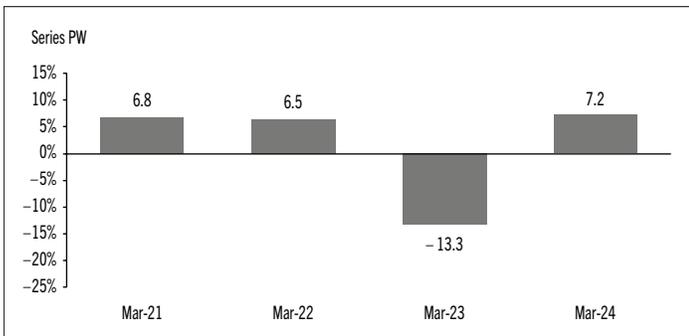
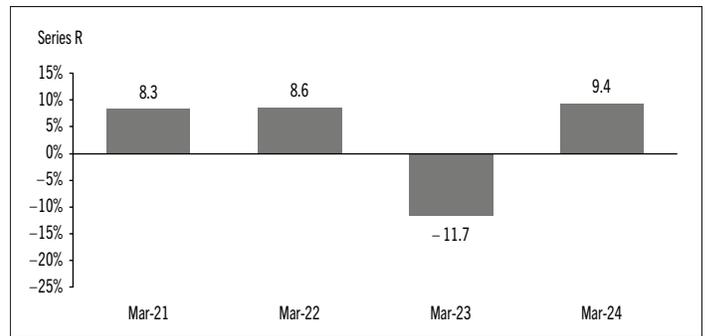
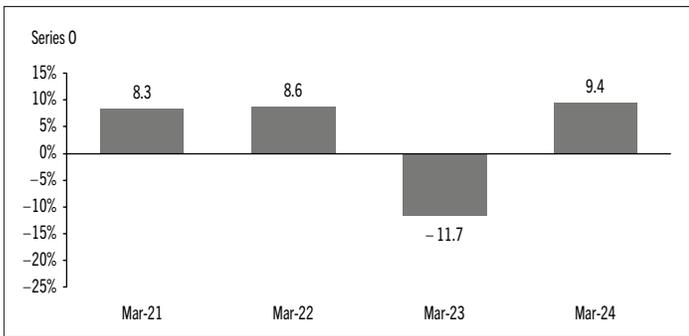
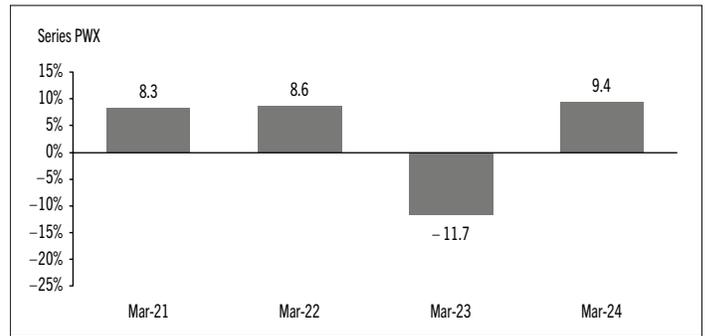
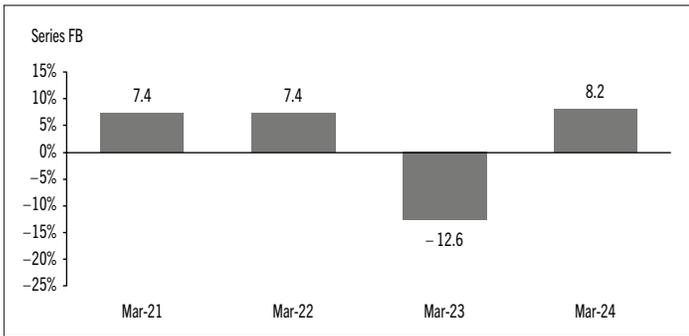
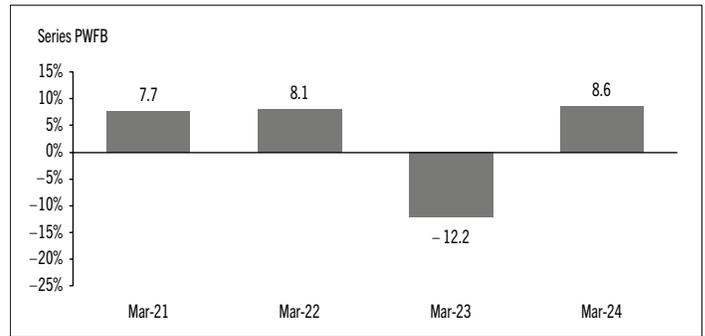
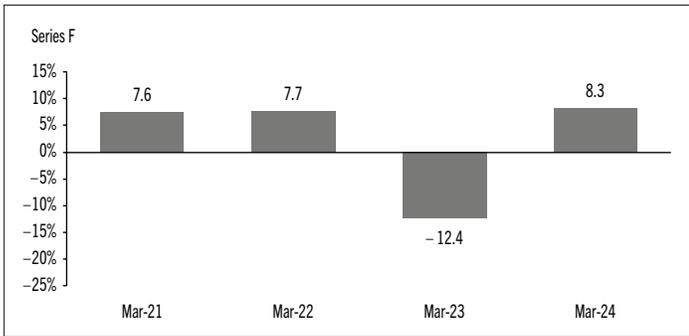
## Year-by-Year Returns

The following bar charts present the performance of each series of the Fund for each of the fiscal periods shown. The charts show, in percentage terms, how much an investment made on the first day of each fiscal period, or on the series inception or reinstatement date, as applicable, would have increased or decreased by the last day of the fiscal period presented. Series inception or reinstatement dates can be found under *Fund Formation and Series Information*.

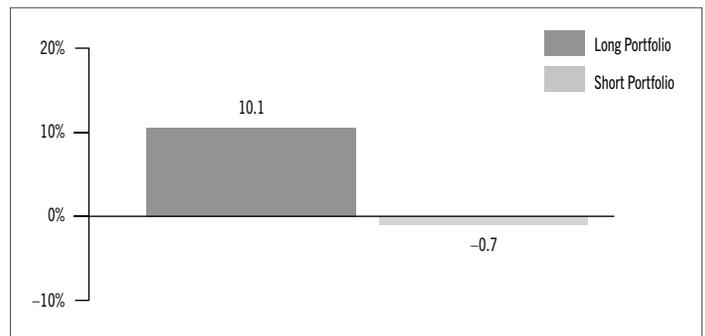


# MACKENZIE ALTERNATIVE ENHANCED YIELD FUND

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The following bar chart presents the performance of the Fund's long and short portfolio positions for the period ended March 31, 2024, before deducting fees and expenses and before the effect of other assets (liabilities)



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## Annual Compound Returns

The following table compares the historical annual compound total returns for each series of the Fund with the relevant index or indices shown below for each of the periods ended March 31, 2024. Investors cannot invest in an index without incurring fees, expenses and commissions, which are not reflected in these performance figures.

All index returns are calculated in Canadian dollars on a total return basis, meaning that all dividend payments, interest income accruals and interest payments are reinvested.

Percentage Return: <sup>1</sup>	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception <sup>2</sup>
Series A	7.0	-0.6	n/a	n/a	1.2
Series F	8.3	0.7	n/a	n/a	2.5
Series FB	8.2	0.5	n/a	n/a	2.3
Series O	9.4	1.6	n/a	n/a	3.4
Series PW	7.2	-0.3	n/a	n/a	1.5
Series PWFB	8.6	1.0	n/a	n/a	2.8
Series PWX	9.4	1.6	n/a	n/a	3.4
Series R	9.4	1.6	n/a	n/a	3.4
Blended Index	7.1	2.2	n/a	n/a	Note 3
ICE BofA Global Broad Market (Hedged) Index*	2.5	-2.4	n/a	n/a	Note 4
MSCI World High Dividend Yield (Net) Index	13.4	8.9	n/a	n/a	Note 5
ICE BofA Global High Yield (Hedged) Index	10.6	0.9	n/a	n/a	Note 6
MSCI World Infrastructure (Net) Index	4.5	4.1	n/a	n/a	Note 7
FTSE EPRA Nareit Developed REITs Index	7.5	3.4	n/a	n/a	Note 8

\* Broad-based index

The blended index is composed of 40% ICE BofA Global Broad Market (Hedged) Index, 25% MSCI World High Dividend Yield (Net) Index, 15% ICE BofA Global High Yield (Hedged) Index, 10% MSCI World Infrastructure (Net) Index and 10% FTSE EPRA Nareit Developed REITs Index.

The ICE BofA Global Broad Market (Hedged) Index tracks the performance of investment grade debt publicly issued in major domestic and eurobond markets, including sovereign, quasi-government, corporate, securitized and collateralized securities. Qualifying bonds must be rated "BBB" or higher and have a remaining term to maturity of at least one year. The foreign currency exposure is hedged to the Canadian dollar.

The MSCI World High Dividend Yield (Net) Index includes large- and mid-cap stocks across 23 developed market country indices. The index selects equities from the MSCI World Index (excluding real estate investment trusts) with higher-than average dividend yields that are both sustainable and persistent. The index also applies quality screens and reviews 12-month past performance to omit stocks with potentially deteriorating fundamentals that could force them to eliminate or reduce dividends. Net total returns are calculated after the deduction of withholding tax from the foreign income and dividends of its constituents.

The ICE BofA Global High Yield (Hedged) Index tracks the performance of non-investment grade corporate debt publicly issued in the major domestic or eurobond markets and denominated in U.S. dollars, Canadian dollars, British pounds or euros. The foreign currency exposure is hedged to the Canadian dollar.

The MSCI World Infrastructure (Net) Index represents the global opportunity set of companies that own or operate infrastructure assets. It includes large- and mid-cap equities across 23 developed markets. Net total returns are calculated after the deduction of withholding tax from the foreign income and dividends of its constituents.

The FTSE EPRA Nareit Developed REITs Index is designed to track the performance of listed real estate investment trusts ("REITs") worldwide. Relevant real estate activities are defined as the ownership, trading and development of income-producing real estate.

- (1) The percentage return differs for each series because the management fee rate and expenses differ for each series.
- (2) The return since inception for each series will differ when the inception date differs and is only provided when a series has been active for a period of less than 10 years.
- (3) The return of the blended index since inception for each series is 3.5%.
- (4) The return of the ICE BofA Global Broad Market (Hedged) Index since inception for each series is -2.2%.
- (5) The return of the MSCI World High Dividend Yield (Net) Index since inception for each series is 10.5%.
- (6) The return of the ICE BofA Global High Yield (Hedged) Index since inception for each series is 3.6%.
- (7) The return of the MSCI World Infrastructure (Net) Index since inception for each series is 5.0%.
- (8) The return of the FTSE EPRA Nareit Developed REITs Index since inception for each series is 6.4%.

# MACKENZIE ALTERNATIVE ENHANCED YIELD FUND

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## Summary of Investment Portfolio at March 31, 2024

EFFECTIVE PORTFOLIO ALLOCATION	% OF NAV
Bonds	62.2
Equities	36.3
Equities	36.5
Written options*	(0.2)
Cash and cash equivalents	1.4
Exchange-traded funds/notes	0.4
Other assets (liabilities)	(0.3)

EFFECTIVE REGIONAL ALLOCATION	% OF NAV
United States	67.2
Canada	13.8
Other	6.2
China	1.7
South Korea	1.7
Luxembourg	1.4
Cash and cash equivalents	1.4
Indonesia	1.0
United Kingdom	0.9
Mexico	0.9
Malaysia	0.9
Spain	0.8
Brazil	0.6
Thailand	0.6
Philippines	0.6
South Africa	0.6
Other assets (liabilities)	(0.3)

EFFECTIVE SECTOR ALLOCATION	% OF NAV
Term loans	45.4
Financials	14.2
Federal bonds	13.4
Consumer discretionary	8.1
Information technology	4.3
Corporate bonds	3.4
Energy	3.3
Health care	1.8
Cash and cash equivalents	1.4
Communication services	1.4
Industrials	1.2
Real estate	1.0
Consumer staples	0.8
Exchange-traded funds/notes	0.4
Utilities	0.4
Other	(0.2)
Other assets (liabilities)	(0.3)

\* Notional values represent –14.2% of NAV for written options.

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

## TOP 25 LONG POSITIONS

Issuer/Underlying Fund	% OF NAV
Mackenzie Floating Rate Income ETF	49.9
SPDR S&P 500 ETF Trust	14.2
SPDR Bloomberg Emerging Markets Local Bond ETF	13.5
Diversified Royalty Corp.	6.5
The Bank of Nova Scotia	2.5
Hercules Capital Inc.	2.3
Enbridge Inc.	2.3
Solar Capital Ltd.	1.4
Main Street Capital Corp.	1.3
Ares Capital Corp.	1.2
Starwood Property Trust Inc.	1.2
Oaktree Specialty Lending Corp.	1.1
Vanguard FTSE Canadian High Dividend Yield Index ETF	0.7
Healthpeak Properties Inc.	0.7
Cash and cash equivalents	0.6
Apollo Commercial Real Estate Finance Inc.	0.5
Timbercreek Financial Corp.	0.2
Keyera Corp.	0.1
Ashmore Group PLC	–
OFS Credit Co. Inc.	–

Top long positions as a percentage of total net asset value **100.2**

## TOP 25 SHORT POSITIONS

Issuer	% OF NAV
SPDR S&P 500 ETF Trust Written Call Option @ \$523.99 Exp. 04-19-2024	(0.2)

Top short positions as a percentage of total net asset value **(0.2)**

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

The investments and percentages may have changed since March 31, 2024, due to the ongoing portfolio transactions of the Fund. Quarterly updates of holdings are available within 60 days of the end of each quarter except for March 31, the Fund's fiscal year-end, when they are available within 90 days.

# MACKENZIE ALTERNATIVE ENHANCED YIELD FUND

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## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for each of the fiscal periods presented below. If during the period a fund or series was established or reinstated, "period" represents the period from inception or reinstatement to the end of that fiscal period. Series inception or reinstatement dates can be found under *Fund Formation and Series Information*.

### THE FUND'S NET ASSETS PER SECURITY (\$)¹

Series A	Mar. 31 2024	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021
<b>Net assets, beginning of period</b>	8.02	9.94	10.19	10.00
<b>Increase (decrease) from operations:</b>				
Total revenue	0.56	0.70	0.58	7.42
Total expenses	(0.24)	(0.33)	(0.26)	(0.95)
Realized gains (losses) for the period	(0.69)	(1.30)	(0.16)	(8.28)
Unrealized gains (losses) for the period	0.77	(0.49)	(0.22)	2.44
<b>Total increase (decrease) from operations²</b>	<b>0.40</b>	<b>(1.42)</b>	<b>(0.06)</b>	<b>0.63</b>
<b>Distributions:</b>				
From net investment income (excluding Canadian dividends)	(0.02)	(0.07)	(0.06)	(0.09)
From Canadian dividends	(0.31)	(0.49)	(0.53)	(0.18)
From capital gains	–	–	(0.28)	–
Return of capital	(0.15)	(0.03)	(0.03)	(0.17)
<b>Total annual distributions³</b>	<b>(0.48)</b>	<b>(0.59)</b>	<b>(0.90)</b>	<b>(0.44)</b>
<b>Net assets, end of period</b>	<b>8.07</b>	<b>8.02</b>	<b>9.94</b>	<b>10.19</b>
<b>Series F</b>	<b>Mar. 31 2024</b>	<b>Mar. 31 2023</b>	<b>Mar. 31 2022</b>	<b>Mar. 31 2021</b>
<b>Net assets, beginning of period</b>	12.39	15.22	15.44	15.00
<b>Increase (decrease) from operations:</b>				
Total revenue	0.89	1.07	0.98	0.73
Total expenses	(0.21)	(0.35)	(0.21)	(0.19)
Realized gains (losses) for the period	(0.99)	(1.86)	0.33	0.41
Unrealized gains (losses) for the period	1.23	(0.74)	(0.37)	0.24
<b>Total increase (decrease) from operations²</b>	<b>0.92</b>	<b>(1.88)</b>	<b>0.73</b>	<b>1.19</b>
<b>Distributions:</b>				
From net investment income (excluding Canadian dividends)	(0.05)	(0.10)	(0.10)	(0.16)
From Canadian dividends	(0.57)	(0.85)	(0.87)	(0.34)
From capital gains	–	–	(0.45)	–
Return of capital	(0.21)	(0.01)	–	(0.17)
<b>Total annual distributions³</b>	<b>(0.83)</b>	<b>(0.96)</b>	<b>(1.42)</b>	<b>(0.67)</b>
<b>Net assets, end of period</b>	<b>12.54</b>	<b>12.39</b>	<b>15.22</b>	<b>15.44</b>

Series FB	Mar. 31 2024	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021
<b>Net assets, beginning of period</b>	12.31	15.16	15.41	15.00
<b>Increase (decrease) from operations:</b>				
Total revenue	0.89	1.06	1.07	0.80
Total expenses	(0.23)	(0.38)	(0.26)	(0.22)
Realized gains (losses) for the period	(0.91)	(1.78)	0.69	0.25
Unrealized gains (losses) for the period	1.23	(0.74)	(0.40)	0.26
<b>Total increase (decrease) from operations²</b>	<b>0.98</b>	<b>(1.84)</b>	<b>1.10</b>	<b>1.09</b>
<b>Distributions:</b>				
From net investment income (excluding Canadian dividends)	(0.05)	(0.06)	(0.10)	(0.15)
From Canadian dividends	(0.56)	(0.85)	(0.86)	(0.31)
From capital gains	–	–	(0.44)	–
Return of capital	(0.21)	(0.05)	–	(0.21)
<b>Total annual distributions³</b>	<b>(0.82)</b>	<b>(0.96)</b>	<b>(1.40)</b>	<b>(0.67)</b>
<b>Net assets, end of period</b>	<b>12.45</b>	<b>12.31</b>	<b>15.16</b>	<b>15.41</b>
<b>Series O</b>	<b>Mar. 31 2024</b>	<b>Mar. 31 2023</b>	<b>Mar. 31 2022</b>	<b>Mar. 31 2021</b>
<b>Net assets, beginning of period</b>	12.53	15.41	15.53	15.00
<b>Increase (decrease) from operations:</b>				
Total revenue	0.91	1.08	1.08	0.80
Total expenses	(0.10)	(0.24)	(0.08)	(0.09)
Realized gains (losses) for the period	(0.92)	(1.82)	0.71	0.26
Unrealized gains (losses) for the period	1.25	(0.75)	(0.41)	0.26
<b>Total increase (decrease) from operations²</b>	<b>1.14</b>	<b>(1.73)</b>	<b>1.30</b>	<b>1.23</b>
<b>Distributions:</b>				
From net investment income (excluding Canadian dividends)	(0.06)	(0.06)	(0.11)	(0.19)
From Canadian dividends	(0.66)	(1.00)	(0.90)	(0.40)
From capital gains	–	–	(0.45)	–
Return of capital	(0.19)	(0.05)	–	(0.10)
<b>Total annual distributions³</b>	<b>(0.91)</b>	<b>(1.11)</b>	<b>(1.46)</b>	<b>(0.69)</b>
<b>Net assets, end of period</b>	<b>12.73</b>	<b>12.53</b>	<b>15.41</b>	<b>15.53</b>

- (1) These calculations are prescribed by securities regulations and are not intended to be a reconciliation between opening and closing net assets per security. This information is derived from the Fund's audited annual financial statements. The net assets per security presented in the financial statements may differ from the net asset value per security calculated for fund pricing purposes. An explanation of these differences, if any, can be found in the *Notes to Financial Statements*.
- (2) Net assets and distributions are based on the actual number of securities outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of securities outstanding over the fiscal period.
- (3) Distributions were paid in cash/reinvested in additional securities of the Fund, or both.

# MACKENZIE ALTERNATIVE ENHANCED YIELD FUND

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## THE FUND'S NET ASSETS PER SECURITY (\$)¹ (cont'd)

Series PW	Mar. 31 2024	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021
<b>Net assets, beginning of period</b>	11.96	14.99	15.34	15.00
<b>Increase (decrease) from operations:</b>				
Total revenue	0.84	1.04	0.89	0.79
Total expenses	(0.33)	(0.47)	(0.35)	(0.30)
Realized gains (losses) for the period	(1.02)	(1.51)	0.56	0.25
Unrealized gains (losses) for the period	1.16	(0.73)	(0.33)	0.26
<b>Total increase (decrease) from operations²</b>	0.65	(1.67)	0.77	1.00
<b>Distributions:</b>				
From net investment income (excluding Canadian dividends)	(0.04)	(0.19)	(0.09)	(0.13)
From Canadian dividends	(0.47)	(0.82)	(0.83)	(0.26)
From capital gains	–	–	(0.42)	–
Return of capital	(0.22)	(0.05)	(0.02)	(0.27)
<b>Total annual distributions³</b>	(0.73)	(1.06)	(1.36)	(0.66)
<b>Net assets, end of period</b>	12.04	11.96	14.99	15.34
<b>Series PWFB</b>				
	Mar. 31 2024	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021
<b>Net assets, beginning of period</b>	12.43	15.28	15.45	15.00
<b>Increase (decrease) from operations:</b>				
Total revenue	0.90	1.07	1.07	0.80
Total expenses	(0.18)	(0.32)	(0.16)	(0.17)
Realized gains (losses) for the period	(0.92)	(1.80)	0.70	0.24
Unrealized gains (losses) for the period	1.24	(0.75)	(0.40)	0.26
<b>Total increase (decrease) from operations²</b>	1.04	(1.80)	1.21	1.13
<b>Distributions:</b>				
From net investment income (excluding Canadian dividends)	(0.05)	(0.06)	(0.11)	(0.16)
From Canadian dividends	(0.60)	(0.90)	(0.88)	(0.34)
From capital gains	–	–	(0.44)	–
Return of capital	(0.20)	(0.04)	–	(0.18)
<b>Total annual distributions³</b>	(0.85)	(1.00)	(1.43)	(0.68)
<b>Net assets, end of period</b>	12.60	12.43	15.28	15.45

Series PWX	Mar. 31 2024	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021
<b>Net assets, beginning of period</b>	12.52	15.41	15.53	15.00
<b>Increase (decrease) from operations:</b>				
Total revenue	0.91	1.08	1.08	0.80
Total expenses	(0.10)	(0.24)	(0.08)	(0.09)
Realized gains (losses) for the period	(0.93)	(1.82)	0.70	0.25
Unrealized gains (losses) for the period	1.25	(0.75)	(0.41)	0.26
<b>Total increase (decrease) from operations²</b>	1.13	(1.73)	1.29	1.22
<b>Distributions:</b>				
From net investment income (excluding Canadian dividends)	(0.06)	(0.06)	(0.11)	(0.19)
From Canadian dividends	(0.66)	(1.00)	(0.90)	(0.40)
From capital gains	–	–	(0.45)	–
Return of capital	(0.19)	(0.05)	–	(0.10)
<b>Total annual distributions³</b>	(0.91)	(1.11)	(1.46)	(0.69)
<b>Net assets, end of period</b>	12.73	12.52	15.41	15.53
<b>Series R</b>				
	Mar. 31 2024	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021
<b>Net assets, beginning of period</b>	8.78	10.44	10.38	10.00
<b>Increase (decrease) from operations:</b>				
Total revenue	0.49	0.74	0.73	0.53
Total expenses	(0.05)	(0.16)	(0.06)	(0.06)
Realized gains (losses) for the period	(1.34)	(1.21)	0.47	0.17
Unrealized gains (losses) for the period	0.67	(0.52)	(0.27)	0.18
<b>Total increase (decrease) from operations²</b>	(0.23)	(1.15)	0.87	0.82
<b>Distributions:</b>				
From net investment income (excluding Canadian dividends)	(0.05)	(0.03)	(0.06)	(0.14)
From Canadian dividends	(0.51)	(0.41)	(0.44)	(0.30)
From capital gains	–	–	(0.33)	–
Return of capital	–	–	–	–
<b>Total annual distributions³</b>	(0.56)	(0.44)	(0.83)	(0.44)
<b>Net assets, end of period</b>	9.01	8.78	10.44	10.38

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## RATIOS AND SUPPLEMENTAL DATA

	Mar. 31 2024	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021
<b>Series A</b>				
Total net asset value (\$000) <sup>1</sup>	762	1,643	514	4
Securities outstanding (000) <sup>1</sup>	94	205	52	–
Management expense ratio (%) <sup>2</sup>	2.32	2.27	2.26	2.34
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	2.69	2.61	2.66	3.06
Trading expense ratio (%) <sup>3</sup>	0.75	1.77	0.49	0.70
Portfolio turnover rate (%) <sup>4</sup>	22.11	156.33	120.35	n/a
Net asset value per security (\$)	8.07	8.02	9.94	10.19
<b>Series F</b>				
Total net asset value (\$000) <sup>1</sup>	18,035	21,222	23,444	3,129
Securities outstanding (000) <sup>1</sup>	1,439	1,713	1,540	203
Management expense ratio (%) <sup>2</sup>	1.04	1.01	0.99	0.99
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	1.41	1.36	1.38	1.51
Trading expense ratio (%) <sup>3</sup>	0.75	1.77	0.49	0.70
Portfolio turnover rate (%) <sup>4</sup>	22.11	156.33	120.35	n/a
Net asset value per security (\$)	12.54	12.39	15.22	15.44
<b>Series FB</b>				
Total net asset value (\$000) <sup>1</sup>	1	1	1	1
Securities outstanding (000) <sup>1</sup>	–	–	–	–
Management expense ratio (%) <sup>2</sup>	1.33	1.34	1.30	1.30
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	1.62	1.56	1.64	1.93
Trading expense ratio (%) <sup>3</sup>	0.75	1.77	0.49	0.70
Portfolio turnover rate (%) <sup>4</sup>	22.11	156.33	120.35	n/a
Net asset value per security (\$)	12.45	12.31	15.16	15.41
<b>Series O</b>				
Total net asset value (\$000) <sup>1</sup>	1	1	1	1
Securities outstanding (000) <sup>1</sup>	–	–	–	–
Management expense ratio (%) <sup>2</sup>	0.10	0.15	0.15	0.10
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	0.38	0.33	0.36	0.72
Trading expense ratio (%) <sup>3</sup>	0.75	1.77	0.49	0.70
Portfolio turnover rate (%) <sup>4</sup>	22.11	156.33	120.35	n/a
Net asset value per security (\$)	12.73	12.53	15.41	15.53
<b>Series PW</b>				
Total net asset value (\$000) <sup>1</sup>	197	655	135	1
Securities outstanding (000) <sup>1</sup>	16	55	9	–
Management expense ratio (%) <sup>2</sup>	2.13	2.07	2.08	2.22
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	2.51	2.41	2.47	2.84
Trading expense ratio (%) <sup>3</sup>	0.75	1.77	0.49	0.70
Portfolio turnover rate (%) <sup>4</sup>	22.11	156.33	120.35	n/a
Net asset value per security (\$)	12.04	11.96	14.99	15.34

	Mar. 31 2024	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021
<b>Series PWFB</b>				
Total net asset value (\$000) <sup>1</sup>	1	1	1	1
Securities outstanding (000) <sup>1</sup>	–	–	–	–
Management expense ratio (%) <sup>2</sup>	1.12	1.11	1.03	1.10
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	1.40	1.35	1.38	1.72
Trading expense ratio (%) <sup>3</sup>	0.75	1.77	0.49	0.70
Portfolio turnover rate (%) <sup>4</sup>	22.11	156.33	120.35	n/a
Net asset value per security (\$)	12.60	12.43	15.28	15.45
<b>Series PWX</b>				
Total net asset value (\$000) <sup>1</sup>	1	1	1	1
Securities outstanding (000) <sup>1</sup>	–	–	–	–
Management expense ratio (%) <sup>2</sup>	0.10	0.15	0.15	0.10
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	0.38	0.33	0.36	0.72
Trading expense ratio (%) <sup>3</sup>	0.75	1.77	0.49	0.70
Portfolio turnover rate (%) <sup>4</sup>	22.11	156.33	120.35	n/a
Net asset value per security (\$)	12.73	12.52	15.41	15.53
<b>Series R</b>				
Total net asset value (\$000) <sup>1</sup>	1	6,090	12,030	11,507
Securities outstanding (000) <sup>1</sup>	–	693	1,152	1,109
Management expense ratio (%) <sup>2</sup>	0.10	0.15	0.15	0.10
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	0.38	0.33	0.36	0.28
Trading expense ratio (%) <sup>3</sup>	0.75	1.77	0.49	0.70
Portfolio turnover rate (%) <sup>4</sup>	22.11	156.33	120.35	n/a
Net asset value per security (\$)	9.01	8.78	10.44	10.38

- (1) This information is provided as at the end of the fiscal period shown.
- (2) Management expense ratio ("MER") is based on total expenses, excluding commissions and other portfolio transaction costs, income taxes and withholding taxes, for the stated period and is expressed as an annualized percentage of daily average net assets during the period, except as noted. In the period a series is established, the MER is annualized from the date of inception to the end of the period. Where the Fund directly invests in securities of another fund (including exchange-traded funds or "ETFs"), the MERs presented for the Fund include the portion of MERs of the other fund(s) attributable to this investment. Any income distributions received from ETFs managed by the Manager, with the intention of offsetting fees paid within those ETFs but which are not considered to be duplicative fees under regulatory requirements, are treated as waived expenses for MER purposes. The Manager may waive or absorb operating expenses at its discretion and stop waiving or absorbing such expenses at any time without notice.
- (3) The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs incurred as an annualized percentage of daily average net assets during the period. Where the Fund invests in securities of another fund (including ETFs), the TERs presented for the Fund include the portion of TERs of the other fund(s) attributable to this investment.
- (4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is not provided when the Fund is less than one year old. The value of any trades to realign the Fund's portfolio after a fund merger, if any, is excluded from the portfolio turnover rate.

# MACKENZIE ALTERNATIVE ENHANCED YIELD FUND

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## Management Fees

The management fee for each applicable series is calculated and accrued daily as a percentage of its NAV. The Fund's management fees were used by the Manager to pay for the costs of managing the investment portfolio of the Fund and/or the underlying fund(s), as applicable, including providing investment analysis and recommendations, making investment decisions, making brokerage arrangements for the purchase and sale of the investment portfolio, and providing other services. The Manager also used the management fees to fund sales commissions, trailing commissions and any other compensation (collectively "distribution-related payments") to registered dealers and brokers whose clients invest in the Fund.

The following dealers affiliated with the Manager may be entitled to distribution-related payments from the Manager on the same basis as unrelated registered brokers and dealers: Investors Group Securities Inc. and Investors Group Financial Services Inc.

The Manager used approximately 42% of the total management fee revenues received from all Mackenzie funds during the period to fund distribution-related payments to registered dealers and brokers. In comparison, such distribution-related payments for the Fund represented on average 8% of the management fees paid by all applicable series of the Fund during the period. The actual percentage for each series may be higher or lower than the average depending on the level of trailing commissions and sales commissions paid for that series.

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## Fund Formation and Series Information

The Fund may have undergone a number of changes, such as a reorganization or a change in manager, mandate or name. A history of the major changes affecting the Fund in the last 10 years can be found in the Fund's Simplified Prospectus.

Date of Formation: April 17, 2020

The Fund may issue an unlimited number of securities of each series. The number of issued and outstanding securities of each series is disclosed under *Financial Highlights*.

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

Series A are offered to retail investors investing a minimum of \$500. Investors in Series A securities also want to receive a monthly cash flow of 5% per year.

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. Investors in Series F securities also want to receive a monthly cash flow of 5% per year.

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. Investors in Series FB securities also want to receive a monthly cash flow of 5% per year.

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. Investors in Series O securities also want to receive a monthly cash flow of 5% per year.

Series PW securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors in Series PW securities also want to receive a monthly cash flow of 5% per year.

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. Investors in Series PWFB securities also want to receive a monthly cash flow of 5% per year.

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. Investors in Series PWX securities also want to receive a monthly cash flow of 5% per year.

Series R securities are offered only to other funds managed by Mackenzie on a non-prospectus basis 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 Fee	Administration Fee
Series A	June 11, 2020	1.85%	0.24%
Series F	June 11, 2020	0.75%	0.15%
Series FB	June 11, 2020	0.85%	0.24%
Series O	June 11, 2020	— <sup>(1)</sup>	n/a
Series PW	June 11, 2020	1.75%	0.15%
Series PWFB	June 11, 2020	0.75%	0.15%
Series PWX	June 11, 2020	— <sup>(2)</sup>	— <sup>(2)</sup>
Series R	June 11, 2020	n/a	n/a

(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.