

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

MANAGEMENT REPORT

Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by Mackenzie Financial Corporation, as Manager of Mackenzie Diversified Alternatives 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 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.

Effective March 31, 2023, KPMG LLP was appointed as 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



Luke Gould
President and Chief Executive Officer



Terry Rountes
Chief Financial Officer, Funds

June 5, 2023

INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Mackenzie Diversified Alternatives Fund (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise:

- the statement of financial position as at March 31, 2023
- the statement of comprehensive income for the period then ended as indicated in note 1
- the statement of changes in financial position for the period then ended as indicated in note 1
- the statement of cash flows for the period then ended as indicated in note 1 and
- notes to the financial statements, including a summary of significant accounting policies (Hereinafter 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, 2023, and its financial performance and cash flows for the period then ended as indicated in note 1 in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's 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 Matter – Comparative Information

The financial statements for the period ended March 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 15, 2022.

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

INDEPENDENT AUDITOR'S REPORT (cont'd)

Other Information

Management is responsible for the other information. Other information comprises:

– the information included in the Annual Management Report of Fund Performance of the Fund.

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 and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in the Annual Management Report of Fund Performance of the Fund filed with the relevant Canadian Securities Commissions as at 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 the 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 International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), 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.

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 financial reporting process of the Fund.

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 generally accepted auditing standards 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, 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 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.
- 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.



Chartered Professional Accountants, Licensed Public Accountants
Toronto, Ontario
June 5, 2023

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

STATEMENTS OF FINANCIAL POSITION

at March 31 (in \$ 000 except per security amounts)

	2023	2022
	\$	\$
ASSETS		
Current assets		
Investments at fair value	284,360	365,673
Cash and cash equivalents	39,831	21,498
Accrued interest receivable	399	403
Dividends receivable	291	423
Accounts receivable for investments sold	8	697
Accounts receivable for securities issued	188	545
Due from manager	33	15
Margin on derivatives	840	23
Derivative assets	273	1,817
Total assets	326,223	391,094
LIABILITIES		
Current liabilities		
Investments sold short at fair value	6,893	4,705
Accounts payable for investments purchased	58	337
Accounts payable for securities redeemed	453	888
Due to manager	10	12
Derivative liabilities	1,051	48
Total liabilities	8,465	5,990
Net assets attributable to securityholders	317,758	385,104

STATEMENTS OF COMPREHENSIVE INCOME

for the periods ended March 31 (in \$ 000 except per security amounts)

	2023	2022
	\$	\$
Income (note 10(j))		
Dividends	11,579	14,555
Interest income for distribution purposes	2,803	2,581
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(10,363)	14,955
Net unrealized gain (loss)	(25,115)	9,604
Fee rebate income	170	252
Total income (loss)	(20,926)	41,947
Expenses (note 6)		
Management fees	3,411	4,175
Management fee rebates	(5)	(4)
Administration fees	556	686
Interest charges	57	–
Borrowing fees	245	51
Commissions and other portfolio transaction costs	315	276
Independent Review Committee fees	1	1
Other	1	1
Expenses before amounts absorbed by Manager	4,581	5,186
Expenses absorbed by Manager	–	–
Net expenses	4,581	5,186
Increase (decrease) in net assets attributable to securityholders from operations before tax	(25,507)	36,761
Foreign withholding tax expense (recovery)	796	735
Foreign income tax expense (recovery)	–	–
Increase (decrease) in net assets attributable to securityholders from operations	(26,303)	36,026

Net assets attributable to securityholders (note 3)

	per security		per series	
	2023	2022	2023	2022
	Series A	10.12	11.19	37,509
Series AR	10.27	11.35	986	1,077
Series D	10.23	11.27	371	125
Series F	10.31	11.36	124,902	161,634
Series F5	12.54	14.19	627	3,025
Series F8	11.58	13.56	40	70
Series FB	10.07	11.11	87	112
Series FB5	12.31	13.96	1	1
Series O	9.81	10.79	25,173	27,302
Series PW	10.29	11.36	37,948	44,993
Series PWFB	9.55	10.52	748	654
Series PWFB5	12.18	13.74	1	1
Series PWR	9.46	10.45	698	647
Series PWT5	11.72	13.41	503	515
Series PWT8	11.01	13.04	26	39
Series PWX	9.86	10.85	306	205
Series PWX5	12.75	14.29	1	1
Series PWX8	11.48	13.30	64	75
Series S	9.20	10.12	2,338	2,635
Series T5	11.51	13.21	1,860	2,443
Series T8	10.89	12.93	84	97
Series UM	9.47	10.43	83,485	90,266
			317,758	385,104

Increase (decrease) in net assets attributable to securityholders from operations (note 3)

	per security		per series	
	2023	2022	2023	2022
	Series A	(0.92)	0.84	(3,814)
Series AR	(0.87)	0.81	(85)	79
Series D	(0.73)	0.99	(18)	15
Series F	(0.78)	0.99	(10,543)	14,625
Series F5	(1.45)	1.66	(203)	217
Series F8	(1.17)	1.30	(3)	5
Series FB	(0.84)	0.92	(8)	9
Series FB5	(0.94)	1.20	–	–
Series O	(0.62)	1.07	(1,610)	2,596
Series PW	(0.92)	0.86	(3,578)	3,840
Series PWFB	(0.66)	0.92	(47)	64
Series PWFB5	(0.87)	1.25	–	–
Series PWR	(0.71)	0.81	(45)	38
Series PWT5	(1.04)	1.10	(39)	46
Series PWT8	(1.09)	1.24	(2)	5
Series PWX	(0.42)	1.07	(12)	23
Series PWX5	(0.82)	1.42	–	–
Series PWX8	(0.79)	1.42	(4)	8
Series S	(0.60)	1.00	(155)	256
Series T5	(1.07)	1.04	(194)	204
Series T8	(1.02)	1.11	(8)	9
Series UM	(0.70)	0.89	(5,935)	9,772
			(26,303)	36,026

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

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

STATEMENTS OF CHANGES IN FINANCIAL POSITION

for the periods ended March 31 (in \$ 000 except per security amounts)

	Total		Series A		Series AR		Series D		Series F	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	385,104	419,582	49,187	61,375	1,077	1,065	125	197	161,634	172,777
Increase (decrease) in net assets from operations	(26,303)	36,026	(3,814)	4,215	(85)	79	(18)	15	(10,543)	14,625
Distributions paid to securityholders:										
Investment income	(9,073)	(12,184)	(724)	(769)	(17)	(15)	(6)	(3)	(4,022)	(4,120)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	(168)	(171)	–	–	–	–	–	–	–	–
Management fee rebates	(5)	(4)	–	–	–	–	–	–	(4)	(4)
Total distributions paid to securityholders	(9,246)	(12,359)	(724)	(769)	(17)	(15)	(6)	(3)	(4,026)	(4,124)
Security transactions:										
Proceeds from securities issued	57,767	89,490	6,030	6,578	254	370	320	27	22,185	30,887
Reinvested distributions	6,015	7,536	677	722	17	15	5	3	3,216	3,265
Payments on redemption of securities	(95,579)	(155,171)	(13,847)	(22,934)	(260)	(437)	(55)	(114)	(47,564)	(55,796)
Total security transactions	(31,797)	(58,145)	(7,140)	(15,634)	11	(52)	270	(84)	(22,163)	(21,644)
Increase (decrease) in net assets attributable to securityholders	(67,346)	(34,478)	(11,678)	(12,188)	(91)	12	246	(72)	(36,732)	(11,143)
End of period	317,758	385,104	37,509	49,187	986	1,077	371	125	124,902	161,634
Increase (decrease) in fund securities (in thousands) (note 7):			Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period			4,397	5,833	95	100	11	19	14,222	16,202
Issued			578	604	24	33	29	2	2,101	2,788
Reinvested distributions			65	66	2	1	1	–	304	296
Redeemed			(1,334)	(2,106)	(25)	(39)	(5)	(10)	(4,512)	(5,064)
Securities outstanding – end of period			3,706	4,397	96	95	36	11	12,115	14,222

	Series F5		Series F8		Series FB		Series FB5		Series O	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	3,025	4,116	70	38	112	87	1	1	27,302	25,650
Increase (decrease) in net assets from operations	(203)	217	(3)	5	(8)	9	–	–	(1,610)	2,596
Distributions paid to securityholders:										
Investment income	(47)	(50)	(1)	(1)	(3)	(2)	–	–	(913)	(2,147)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	(51)	(45)	(3)	(3)	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(98)	(95)	(4)	(4)	(3)	(2)	–	–	(913)	(2,147)
Security transactions:										
Proceeds from securities issued	307	2,120	5	35	16	48	–	–	314	240
Reinvested distributions	73	45	3	1	3	2	–	–	913	2,147
Payments on redemption of securities	(2,477)	(3,378)	(31)	(5)	(33)	(32)	–	–	(833)	(1,184)
Total security transactions	(2,097)	(1,213)	(23)	31	(14)	18	–	–	394	1,203
Increase (decrease) in net assets attributable to securityholders	(2,398)	(1,091)	(30)	32	(25)	25	–	–	(2,129)	1,652
End of period	627	3,025	40	70	87	112	1	1	25,173	27,302
Increase (decrease) in fund securities (in thousands) (note 7):			Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period			213	302	10	8	–	–	2,530	2,418
Issued			23	151	2	5	–	–	32	21
Reinvested distributions			6	3	–	–	–	–	91	200
Redeemed			(192)	(243)	(3)	(3)	–	–	(86)	(109)
Securities outstanding – end of period			50	213	9	10	–	–	2,567	2,530

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

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

for the periods ended March 31 (in \$ 000 except per security amounts)

	Series PW		Series PWFB		Series PWFB5		Series PWR		Series PWT5	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	44,993	53,191	654	744	1	1	647	353	515	635
Increase (decrease) in net assets from operations	(3,578)	3,840	(47)	64	–	–	(45)	38	(39)	46
Distributions paid to securityholders:										
Investment income	(765)	(789)	(19)	(18)	–	–	(11)	(8)	(7)	(9)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–	–	–	(17)	(18)
Management fee rebates	(1)	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(766)	(789)	(19)	(18)	–	–	(11)	(8)	(24)	(27)
Security transactions:										
Proceeds from securities issued	6,870	7,222	196	79	–	–	225	293	186	90
Reinvested distributions	745	770	17	16	–	–	11	8	13	6
Payments on redemption of securities	(10,316)	(19,241)	(53)	(231)	–	–	(129)	(37)	(148)	(235)
Total security transactions	(2,701)	(11,249)	160	(136)	–	–	107	264	51	(139)
Increase (decrease) in net assets attributable to securityholders	(7,045)	(8,198)	94	(90)	–	–	51	294	(12)	(120)
End of period	37,948	44,993	748	654	1	1	698	647	503	515
Increase (decrease) in fund securities (in thousands) (note 7):										
	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	3,959	4,978	62	75	–	–	62	36	38	49
Issued	644	652	20	7	–	–	24	29	16	7
Reinvested distributions	70	70	2	2	–	–	1	1	1	–
Redeemed	(985)	(1,741)	(6)	(22)	–	–	(13)	(4)	(12)	(18)
Securities outstanding – end of period	3,688	3,959	78	62	–	–	74	62	43	38

	Series PWT8		Series PWX		Series PWX5		Series PWX8		Series S	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	39	79	205	263	1	1	75	99	2,635	2,510
Increase (decrease) in net assets from operations	(2)	5	(12)	23	–	–	(4)	8	(155)	256
Distributions paid to securityholders:										
Investment income	–	(1)	(9)	(20)	–	–	(2)	(6)	(86)	(205)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	(2)	(3)	–	–	–	–	(4)	(4)	–	–
Management fee rebates	–	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(2)	(4)	(9)	(20)	–	–	(6)	(10)	(86)	(205)
Security transactions:										
Proceeds from securities issued	–	–	128	–	–	–	–	–	385	243
Reinvested distributions	2	2	9	20	–	–	3	7	86	205
Payments on redemption of securities	(11)	(43)	(15)	(81)	–	–	(4)	(29)	(527)	(374)
Total security transactions	(9)	(41)	122	(61)	–	–	(1)	(22)	(56)	74
Increase (decrease) in net assets attributable to securityholders	(13)	(40)	101	(58)	–	–	(11)	(24)	(297)	125
End of period	26	39	306	205	1	1	64	75	2,338	2,635
Increase (decrease) in fund securities (in thousands) (note 7):										
	Securities		Securities		Securities		Securities		Securities	
Securities outstanding – beginning of period	3	6	19	25	–	–	6	7	260	253
Issued	–	–	12	–	–	–	–	–	41	24
Reinvested distributions	–	–	1	2	–	–	–	1	9	20
Redeemed	(1)	(3)	(1)	(8)	–	–	–	(2)	(56)	(37)
Securities outstanding – end of period	2	3	31	19	–	–	6	6	254	260

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

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

for the periods ended March 31 (in \$ 000 except per security amounts)

	Series T5		Series T8		Series UM	
	2023	2022	2023	2022	2023	2022
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS						
Beginning of period	2,443	2,644	97	143	90,266	93,613
Increase (decrease) in net assets from operations	(194)	204	(8)	9	(5,935)	9,772
Distributions paid to securityholders:						
Investment income	(32)	(36)	(1)	(2)	(2,408)	(3,983)
Capital gains	–	–	–	–	–	–
Return of capital	(85)	(91)	(6)	(7)	–	–
Management fee rebates	–	–	–	–	–	–
Total distributions paid to securityholders	(117)	(127)	(7)	(9)	(2,408)	(3,983)
Security transactions:						
Proceeds from securities issued	846	54	1	3	19,499	41,201
Reinvested distributions	38	39	7	8	177	255
Payments on redemption of securities	(1,156)	(371)	(6)	(57)	(18,114)	(50,592)
Total security transactions	(272)	(278)	2	(46)	1,562	(9,136)
Increase (decrease) in net assets attributable to securityholders	(583)	(201)	(13)	(46)	(6,781)	(3,347)
End of period	1,860	2,443	84	97	83,485	90,266
Increase (decrease) in fund securities (in thousands) (note 7):						
Securities outstanding – beginning of period	185	205	7	11	8,654	9,500
Issued	73	4	–	–	2,019	4,046
Reinvested distributions	3	3	1	1	18	25
Redeemed	(99)	(27)	–	(5)	(1,872)	(4,917)
Securities outstanding – end of period	162	185	8	7	8,819	8,654

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

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

STATEMENTS OF CASH FLOWS

for the periods ended March 31 (in \$ 000)

	2023	2022
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	(26,303)	36,026
Adjustments for:		
Net realized loss (gain) on investments	4,004	(15,205)
Change in net unrealized loss (gain) on investments	25,115	(9,604)
Distributions received in-kind from underlying funds	(52)	(471)
Purchase of investments	(277,933)	(231,370)
Proceeds from sale and maturity of investments	335,949	274,991
(Increase) decrease in accounts receivable and other assets	(699)	5
Increase (decrease) in accounts payable and other liabilities	(2)	(2)
Net cash provided by (used in) operating activities	60,079	54,370
Cash flows from financing activities		
Proceeds from securities issued	52,127	83,163
Payments on redemption of securities	(90,017)	(149,167)
Distributions paid net of reinvestments	(3,231)	(4,823)
Net cash provided by (used in) financing activities	(41,121)	(70,827)
Net increase (decrease) in cash and cash equivalents	18,958	(16,457)
Cash and cash equivalents at beginning of period	21,498	37,944
Effect of exchange rate fluctuations on cash and cash equivalents	(625)	11
Cash and cash equivalents at end of period	39,831	21,498
Cash	39,831	14,545
Cash equivalents	–	6,953
Cash and cash equivalents at end of period	39,831	21,498
Supplementary disclosures on cash flow from operating activities:		
Dividends received	11,747	14,500
Dividends paid	36	6
Foreign taxes paid	796	735
Interest received	2,807	2,629
Interest paid	57	–

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

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

SCHEDULE OF INVESTMENTS

as at March 31, 2023

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
LONG POSITIONS					
BONDS					
ADS Tactical Inc. Term Loan B 1st Lien F/R 03-04-2028	United States	Term Loans	USD 67,500	84	85
Adtalem Global Education Inc. Term Loan B 1st Lien F/R 02-12-2028	United States	Term Loans	USD 277	–	–
Albertsons Cos Inc. 3.25% 03-15-2026 144A	United States	Corporate - Non Convertible	USD 71,000	81	90
Albion Financing Ltd. 2 SARL 8.75% 04-15-2027 144A	Luxembourg	Corporate - Non Convertible	USD 200,000	248	235
Alchemy US Holdco LLC Term Loan B 1st Lien F/R 10-01-2025	United States	Term Loans	USD 57,487	73	74
Algonquin Power & Utilities Corp. F/R 01-18-2082	Canada	Corporate - Non Convertible	105,000	98	85
Alpha Holding SA de CV 9.00% 02-10-2025 Callable 2023	Mexico	Corporate - Non Convertible	USD 250,000	330	4
Alpha Holdings SA 9.00% 02-10-2025	Mexico	Corporate - Non Convertible	USD 250,000	–	4
Alice International SARL 5.00% 01-15-2028 Callable 2023 144A	Luxembourg	Corporate - Non Convertible	USD 200,000	227	220
ANI Technologies Private Ltd. Term Loan 1st Lien F/R 12-03-2026	India	Term Loans	USD 14,546	18	19
Apple Inc. 2.65% 02-08-2051	United States	Corporate - Non Convertible	USD 71,000	68	67
Arc Falcon I Inc. Term Loan 2nd Lien F/R 09-22-2029	United States	Term Loans	USD 21,000	27	24
ARD Finance SA 6.50% 06-30-2027 144A	Luxembourg	Corporate - Non Convertible	USD 200,000	196	207
Ardagh Packaging Finance PLC 5.25% 08-15-2027 144A	United States	Corporate - Non Convertible	USD 80,000	91	86
Ascend Wellness Holdings Inc. Term Loan 1st Lien F/R 08-27-2025	United States	Term Loans	USD 16,000	20	19
Ball Corp. 6.88% 03-15-2028	United States	Corporate - Non Convertible	USD 50,000	68	70
The Bank of Nova Scotia F/R 07-27-2081	Canada	Corporate - Non Convertible	60,000	51	44
The Bank of Nova Scotia F/R 07-27-2082	Canada	Corporate - Non Convertible	46,000	46	45
Braskem Idesa SAPI 6.99% 02-20-2032	Mexico	Corporate - Non Convertible	USD 200,000	247	205
California Resources Corp. 7.13% 02-01-2026 144A	United States	Corporate - Non Convertible	USD 216,000	274	296
Canadian Imperial Bank of Commerce F/R 07-28-2082	Canada	Corporate - Non Convertible	346,000	345	340
Canpack SA / Canpack US LLC 3.88% 11-15-2029 144A	Poland	Corporate - Non Convertible	USD 200,000	214	221
Capital Power Corp. F/R 09-09-2082	Canada	Corporate - Non Convertible	114,000	114	112
Carnival Corp. 9.88% 08-01-2027 144A	United States	Corporate - Non Convertible	USD 65,000	95	90
Carriage Purchaser Inc. 7.88% 10-15-2029 144A	United States	Corporate - Non Convertible	USD 184,000	212	189
CCO Holdings LLC 6.38% 09-01-2029 144A	United States	Corporate - Non Convertible	USD 130,000	167	168
CCS-CMGC Holdings Inc. Term Loan 1st Lien F/R 09-25-2025	United States	Term Loans	USD 57,450	74	53
Clearway Energy Group LLC 3.75% 02-15-2031 144A	United States	Corporate - Non Convertible	USD 43,000	51	50
Clydesdale Acquisition Holdings Inc. 8.75% 04-15-2030 144A	United States	Corporate - Non Convertible	USD 49,000	58	59
Cogent Communications Group Inc. 7.00% 06-15-2027 144A	United States	Corporate - Non Convertible	USD 43,000	54	58
Coinbase Global Inc. 3.63% 10-01-2031 144A	United States	Corporate - Non Convertible	USD 268,000	193	203
CommScope Inc. 4.75% 09-01-2029 144A	United States	Corporate - Non Convertible	USD 140,000	175	158
CommScope Technologies Finance LLC 8.25% 03-01-2027 144A	United States	Corporate - Non Convertible	USD 105,000	139	115
Condor Merger Sub Inc. 7.38% 02-15-2030 144A	United States	Corporate - Non Convertible	USD 29,000	37	33
CONSOL Energy Inc. Term Loan B 1st Lien F/R 09-28-2024	United States	Term Loans	USD 358	–	–
CONSOL Energy Inc. 11.00% 11-15-2025 144A	United States	Corporate - Non Convertible	USD 38,000	49	53
Cook & Boardman Group LLC Term Loan 1st Lien F/R 10-12-2025	United States	Term Loans	USD 86,151	111	105
Country Garden Holdings Co. Ltd. 2.70% 07-12-2026	China	Corporate - Non Convertible	USD 200,000	171	172
Covert Mergeco Inc. 4.88% 12-01-2029 144A	United States	Corporate - Non Convertible	USD 14,000	17	17
Crew Energy Inc. 6.50% 03-14-2024 Callable	Canada	Corporate - Non Convertible	52,000	52	52
Curaleaf Holdings Inc. 8.00% 12-15-2026	United States	Corporate - Non Convertible	USD 80,000	103	89
DCert Buyer Inc. Term Loan 2nd Lien F/R 02-16-2029	United States	Term Loans	USD 75,000	95	94
Diamond Sports Group LLC 5.38% 08-15-2026 144A	United States	Corporate - Non Convertible	USD 710,000	724	53
Diamond Sports Group LLC 6.63% 08-15-2027 144A	United States	Corporate - Non Convertible	USD 575,000	402	10
Digi International Inc. Term Loan B 1st Lien F/R 11-01-2028	United States	Term Loans	USD 13,786	17	19
Dispatch Terra Acquisition LLC Term Loan B 1st Lien F/R 03-25-2028	United States	Term Loans	USD 16,873	21	21
Domtar Corp. 6.75% 10-01-2028 144A	United States	Corporate - Non Convertible	USD 66,000	83	80
DS Parent Inc. Term Loan B 1st Lien F/R 12-10-2028	United States	Term Loans	USD 8,438	10	11
East West Manufacturing LLC Delayed Draw Term Loan 1st Lien F/R 01-05-2029	United States	Term Loans	USD 1,905	2	2
East West Manufacturing LLC Term Loan B 1st Lien F/R 01-05-2029	United States	Term Loans	USD 12,964	16	15
Ecopetrol SA 4.63% 11-02-2031	Colombia	Corporate - Non Convertible	USD 27,000	28	28
EG Finco Ltd. Term Loan 2nd Lien F/R 04-11-2027	United Kingdom	Term Loans	EUR 75,000	111	94
Eldorado Gold Corp. 6.25% 09-01-2029 144A	Turkey	Corporate - Non Convertible	USD 28,000	35	35
Electrical Components International Inc. Term Loan 2nd Lien F/R 06-22-2026	United States	Term Loans	USD 20,000	25	21
Electronic Arts Inc. 2.95% 02-15-2051	United States	Corporate - Non Convertible	USD 69,000	64	64
Embecta Corp. 5.00% 02-15-2030 144A	United States	Corporate - Non Convertible	USD 22,000	26	26
Empire Today LLC Term Loan 1st Lien F/R 03-24-2028	United States	Term Loans	USD 69,516	87	74

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LONG POSITIONS (cont'd)					
BONDS (cont'd)					
Employbridge LLC Term Loan B 1st Lien F/R 07-16-2028	United States	Term Loans	USD 23,640	30	27
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate - Non Convertible	250,000	235	232
Enel SpA 2.25% 07-12-2031 144A	Italy	Corporate - Non Convertible	USD 62,000	63	66
Ensign Drilling Inc. 9.25% 04-15-2024 144A	Canada	Corporate - Non Convertible	USD 144,000	168	188
Evergreen Acqco LLP Term Loan 1st Lien F/R 03-26-2028	United States	Term Loans	USD 7,021	9	9
Expedia Group Inc. 2.95% 03-15-2031	United States	Corporate - Non Convertible	USD 43,000	46	48
Fertitta Entertainment Inc. 6.75% 01-15-2030 144A	United States	Corporate - Non Convertible	USD 150,000	180	167
Flynn America LP Term Loan B 1st Lien F/R 07-23-2028	United States	Term Loans	USD 22,281	27	28
Ford Motor Co. 3.25% 02-12-2032	United States	Corporate - Non Convertible	USD 43,000	45	46
Ford Motor Credit Co. LLC 2.70% 08-10-2026	United States	Corporate - Non Convertible	USD 56,000	68	68
Foundation Building Materials 6.00% 03-01-2029	United States	Corporate - Non Convertible	USD 100,000	128	108
FXI Holdings Inc. 7.88% 11-01-2024 144A	United States	Corporate - Non Convertible	USD 48,000	60	61
Garda World Security Corp 6.00% 06-01-2029 144A	Canada	Corporate - Non Convertible	USD 20,000	23	22
Go Daddy Operating Co. LLC 3.50% 03-01-2029 144A	United States	Corporate - Non Convertible	USD 10,000	12	12
Gray Escrow Inc. 7.00% 05-15-2027 144A	United States	Corporate - Non Convertible	USD 40,000	49	45
Gray Television Inc. 5.38% 11-15-2031 144A	United States	Corporate - Non Convertible	USD 81,000	100	72
Gulfport Energy Corp. 8.00% 05-17-2026 144A	United States	Corporate - Non Convertible	USD 125,000	164	168
Hadrian Merger Sub Inc. 8.50% 05-01-2026 144A	United States	Corporate - Non Convertible	USD 181,000	231	202
Hilton Domestic Operating Co. Inc. 4.88% 01-15-2030 Callable 2025	United States	Corporate - Non Convertible	USD 43,000	52	55
IDB Development Corp. 4.95% 12-18-2025 Inflation Indexed	Israel	Corporate - Non Convertible	ILS 133	-	-
Innovative Industrial Properties Inc. 5.50% 05-25-2026	United States	Corporate - Non Convertible	USD 200,000	232	232
Inter Pipeline Ltd. F/R 03-26-2079 Callable 2029	Canada	Corporate - Non Convertible	585,000	589	565
Inter Pipeline Ltd. F/R 11-19-2079 Callable 2029	Canada	Corporate - Non Convertible	120,000	120	113
Invesque Inc. 5.00% 01-31-2025 Conv.	Canada	Corporate - Convertible	USD 887,000	1,092	843
Iris Escrow Issuer Corp. 10.00% 12-15-2028 144A	Canada	Corporate - Non Convertible	USD 54,000	57	54
Iris Holdings Inc. 8.75% 02-15-2026	United States	Corporate - Non Convertible	USD 100,000	128	125
Iris Merger Sub 2019 Inc. 9.38% 02-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 50,000	66	69
Jabil Inc. 3.00% 01-15-2031	United States	Corporate - Non Convertible	USD 86,000	99	98
Jadex Inc. Term Loan 1st Lien F/R 02-12-2028	United States	Term Loans	USD 106,330	139	131
Jaguar Land Rover Automotive PLC 4.50% 10-01-2027 144A	United Kingdom	Corporate - Non Convertible	USD 200,000	214	224
Jazz Pharmaceuticals PLC 4.38% 01-15-2029	United States	Corporate - Non Convertible	USD 200,000	247	248
Kaisa Group Holdings Ltd. 11.70% 11-11-2025	China	Corporate - Non Convertible	USD 200,000	243	34
Keyera Corp. F/R 06-13-2079 Callable 2029	Canada	Corporate - Non Convertible	630,000	631	605
Keyera Corp. F/R 03-10-2081	Canada	Corporate - Non Convertible	150,000	150	131
Kleopatra Finco SARL 4.25% 03-01-2026	Luxembourg	Corporate - Non Convertible	EUR 100,000	121	123
Kleopatra Holdings 2 SCA 6.50% 09-01-2026	Luxembourg	Corporate - Non Convertible	EUR 200,000	241	172
Knight Health Holdings LLC Term Loan B 1st Lien F/R 12-17-2028	United States	Term Loans	USD 22,713	27	16
Kronos Acquisition Holdings Inc. 5.00% 12-31-2026 144A	United States	Corporate - Non Convertible	USD 202,000	250	251
L Brands Inc. 6.63% 10-01-2030	United States	Corporate - Non Convertible	USD 41,000	53	54
LABL Escrow Issuer LLC 10.50% 07-15-2027 144A	United States	Corporate - Non Convertible	USD 49,000	66	62
LABL Inc. 8.25% 11-01-2029 144A	United States	Corporate - Non Convertible	USD 30,000	36	35
Lamb Weston Holdings Inc. 4.38% 01-31-2032 144A	United States	Corporate - Non Convertible	USD 71,000	82	88
LifeScan Global Corp. Term Loan 2nd Lien F/R 06-19-2025	United States	Term Loans	USD 100,000	114	88
Logan Group Co. Ltd. 4.70% 07-06-2026	China	Corporate - Non Convertible	USD 200,000	234	63
LogMeln Inc. Term Loan B 1st Lien F/R 08-14-2027	United States	Term Loans	USD 19,550	25	15
Magenta Buyer LLC Term Loan 2nd Lien F/R 05-03-2029	United States	Term Loans	USD 8,000	10	8
Manchester Acquisition Sub LLC Term Loan B 1st Lien F/R 11-16-2026	United States	Term Loans	USD 18,810	22	21
Manulife Financial Corp. F/R 06-19-2082	Canada	Corporate - Non Convertible	46,000	46	45
Mauser Packaging Solutions Holding Co. 7.88% 08-15-2026 144A	United States	Corporate - Non Convertible	USD 64,000	86	87
Mauser Packaging Solutions 9.25% 04-15-2027 144A	United States	Corporate - Non Convertible	USD 117,000	160	146
Mav Acquisition Corp. 5.75% 08-01-2028 144A	United States	Corporate - Non Convertible	USD 100,000	126	118
MEDNAX Inc. 5.38% 02-15-2030 144A	United States	Corporate - Non Convertible	USD 22,000	25	27
MEG Energy Corp. 7.13% 02-01-2027 Callable 2023 144A	Canada	Corporate - Non Convertible	USD 123,000	161	170
MEG Energy Corp. 5.88% 02-01-2029 144A	Canada	Corporate - Non Convertible	USD 200,000	255	260
Merck & Co. Inc. 5.13% 04-30-2031	United States	Corporate - Non Convertible	USD 200,000	240	240
Minerva Merger Sub Inc. 6.50% 02-15-2030 144A	United States	Corporate - Non Convertible	USD 240,000	306	263
Mozart Debt Merger Sub Inc. 5.25% 10-01-2029 144A	United States	Corporate - Non Convertible	USD 185,000	207	217
Nabors Industries Inc. 7.38% 05-15-2027 144A	United States	Corporate - Non Convertible	USD 200,000	252	265

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LONG POSITIONS (cont'd)					
BONDS (cont'd)					
Nabors Industries Ltd. 7.25% 01-15-2026 144A	United States	Corporate - Non Convertible	USD 40,000	45	52
New Look Vision Group Delayed Draw Term Loan F/R 05-15-2028	United States	Term Loans	USD 20,996	27	28
New Look Vision Group Inc. Term Loan 1st Lien Delayed Draw 1 F/R 05-15-2028	Canada	Term Loans	9,304	9	9
New Look Vision Group Inc. Term Loan 1st Lien Delayed Draw F/R 05-15-2028	Canada	Term Loans	18,972	19	19
New Look Vision Group Inc. Term Loan 1st Lien F/R 05-15-2028	Canada	Term Loans	70,292	70	70
New Look Vision Group Term Loan 1st Lien F/R 05-26-2028	United States	Term Loans	USD 44,524	56	60
NuVista Energy Ltd. 7.88% 07-23-2026	Canada	Corporate - Non Convertible	350,000	346	357
Owens & Minor Inc. 6.63% 04-01-2030	United States	Corporate - Non Convertible	USD 200,000	251	233
Patrimonio Autonomo Union Del Sur 6.66% 02-28-2041 Inflation Indexed	Colombia	Corporate - Non Convertible	COP 1,717,701	160	153
Perrigo Co. PLC 3.15% 06-15-2030	United States	Corporate - Non Convertible	USD 222,000	254	270
Petroleos De Venezuela SA 6.00% 05-16-2024	Venezuela	Corporate - Non Convertible	USD 170,000	55	11
Petroleos Mexicanos 6.70% 02-16-2032	Mexico	Corporate - Non Convertible	USD 54,000	69	58
PharmaCann LLC 12.00% 06-30-2025	United States	Corporate - Non Convertible	USD 111,000	133	141
Quasar Intermediate Holdings Ltd. Term Loan B 1st Lien F/R 01-20-2029	United States	Term Loans	USD 15,920	20	18
Rogers Communications Inc. F/R 03-15-2082 144A	Canada	Corporate - Non Convertible	USD 190,000	241	226
Royal Bank of Canada F/R 11-24-2081	Canada	Corporate - Non Convertible	264,000	224	195
Royal Caribbean Cruises Ltd. 5.50% 04-01-2028 144A	United States	Corporate - Non Convertible	USD 100,000	115	119
Secure Acquisition Inc. Delayed Draw Term Loan 1st Lien F/R 12-15-2028	United States	Term Loans	USD 1,940	2	3
Secure Acquisition Inc. Term Loan 1st Lien F/R 12-15-2028	United States	Term Loans	USD 12,930	16	16
Secure Acquisition Inc. Term Loan 2nd Lien F/R 12-15-2029	United States	Term Loans	USD 7,000	9	9
Secure Energy Services Inc. 7.25% 12-30-2026	Canada	Corporate - Non Convertible	230,000	231	226
Source energy Services 10.50% 03-15-2025	Canada	Corporate - Non Convertible	567,007	590	442
Spanish Broadcasting System Inc. 9.75% 03-01-2026	United States	Corporate - Non Convertible	USD 50,000	64	46
Specialty Pharma III Inc. Term Loan B 1st Lien F/R 02-24-2028	United States	Term Loans	USD 74,063	92	94
Sunac China Holdings Ltd. 5.95% 04-26-2024	China	Corporate - Non Convertible	USD 218,000	80	71
Tacora Resources Inc. 8.25% 05-15-2026 144A	Canada	Corporate - Non Convertible	USD 53,000	65	54
Tamarack Valley Energy Ltd. 7.25% 05-10-2027	Canada	Corporate - Non Convertible	457,000	452	436
Telesat Canada 6.50% 10-15-2027	Canada	Corporate - Non Convertible	USD 520,000	592	217
Terrier Media Buyer Inc. 8.88% 12-15-2027 144A	United States	Corporate - Non Convertible	USD 150,000	198	154
Tervita Corp. 11.00% 12-01-2025 144A	Canada	Corporate - Non Convertible	USD 90,000	116	131
Timber Servicios Empresariales SA Term Loan B 1st Lien F/R 02-17-2029	Spain	Term Loans	EUR 11,000	16	14
The Toronto-Dominion Bank F/R 10-31-2170	Canada	Corporate - Non Convertible	200,000	200	171
Torrid LLC Term Loan B 1st Lien F/R 05-21-2028	United States	Term Loans	USD 70,313	84	85
TransAlta Corp. 7.75% 11-15-2029	Canada	Corporate - Non Convertible	USD 57,000	76	81
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	250,000	230	225
TRC Cos. Inc. Term Loan 2nd Lien F/R 11-19-2029	United States	Term Loans	USD 10,000	13	12
Trulieve Cannabis Corp. 9.75% 06-18-2024	United States	Corporate - Non Convertible	USD 185,000	242	238
Trulieve Cannabis Corp. 8.00% 10-06-2026	United States	Corporate - Non Convertible	USD 333,000	419	362
Uniti Group LP 10.50% 02-15-2028 144A	United States	Corporate - Non Convertible	USD 200,000	266	262
US Radiology Specialists Inc. Term Loan B 1st Lien F/R 12-15-2027	United States	Term Loans	USD 5,642	7	7
US Renal Care Inc. Term Loan B 1st Lien F/R 06-14-2026	United States	Term Loans	USD 12,900	11	12
Vector WP Holdco Inc. Term Loan B 1st Lien F/R 10-08-2028	United States	Term Loans	USD 18,810	23	25
Verano Holdings Corp. Term Loan 1st Lien Senior F/R 10-30-2026	United States	Term Loans	USD 45,000	59	61
Vermilion Energy Inc. 6.88% 05-01-2030 144A	Canada	Corporate - Non Convertible	USD 166,000	209	206
Vesta Energy Corp. 10% 10-15-2025 144A	Canada	Corporate - Non Convertible	420,000	420	407
VistaJet Malta Finance PLC 7.88% 05-01-2027 144A	Switzerland	Corporate - Non Convertible	USD 100,000	124	131
VistaJet Malta Finance PLC 6.38% 02-01-2030 144A	Switzerland	Corporate - Non Convertible	USD 210,000	263	254
WDB Holding PA Inc. Term Loan 1st Lien F/R 12-18-2024	United States	Term Loans	USD 167,632	210	204
Weatherford International Ltd. 8.63% 04-30-2030 144A	United States	Corporate - Non Convertible	USD 312,000	386	429
WeWork Inc. 5.00% 07-10-2025 144A	United States	Corporate - Non Convertible	USD 37,000	40	26
Whole Earth Brands Inc. Term Loan 1st Lien F/R 02-02-2026	United States	Term Loans	USD 14,626	19	17
Wildbrain Ltd. 5.88% 09-30-2024 Conv.	Canada	Corporate - Convertible	190,000	152	178
Women's Care Holdings Inc. Term Loan B 1st Lien F/R 01-15-2028	United States	Term Loans	USD 19,700	25	25
Total bonds				23,361	20,143

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EQUITIES					
1-800-FLOWERS.COM Inc.	United States	Consumer Discretionary	16,010	241	249
8x8 Inc.	United States	Information Technology	32,920	268	186
Abertis Infraestructuras SA	Spain	Industrials	2,993	65	–
Adeia Inc.	United States	Information Technology	18,500	234	222
Amicus Therapeutics Inc.	United States	Health Care	15,550	249	233
Apellis Pharmaceuticals Inc.	United States	Health Care	2,800	243	250
Apollo Investment Corp.	United States	Financials	60,528	1,067	933
Arcos Dorados Holdings Inc.	Brazil	Consumer Discretionary	21,940	159	229
Ares Capital Corp.	United States	Financials	187,010	4,929	4,623
Arhaus Inc.	United States	Consumer Discretionary	12,800	230	144
AS Merko Ehitus	Estonia	Industrials	3,000	70	68
AS Tallinna Vesi	Estonia	Utilities	600	13	11
Bain Capital Specialty Finance Inc.	United States	Financials	49,863	949	804
Barings BDC Inc.	United States	Financials	76,923	968	826
BCE Inc. 4.54% Cum. Red. First Pfd. Series R Callable	Canada	Communication Services	466	8	7
BCE Inc. Pfd. Series AA	Canada	Communication Services	382	6	7
BCE Inc. Pfd. Series AI	Canada	Communication Services	26	–	–
BioCryst Pharmaceuticals Inc.	United States	Health Care	19,360	310	218
BlackRock Kelso Capital Corp.	United States	Financials	192,778	922	900
BlackRock TCP Capital Corp.	United States	Financials	57,083	1,006	795
Calfrac Well Services Ltd.	Canada	Energy	62,351	1,065	253
Cenovus Energy Inc. 4.45% 12-31-2049 Pfd. Series 1	Canada	Energy	26,439	343	365
Cenovus Energy Inc. Pfd. Series 3	Canada	Energy	9,760	189	191
Cenovus Energy Inc. Pfd. Series 7	Canada	Energy	500	10	10
Centamin PLC	United Kingdom	Materials	151,665	333	263
Cognyte Software Ltd.	United States	Information Technology	40,000	1,274	183
Coherus BioSciences Inc.	United States	Health Care	23,220	335	215
CommScope Holding Co. Inc.	United States	Information Technology	23,673	332	204
Coop Pank AS	Estonia	Financials	20,000	67	82
Credicorp Ltd.	Peru	Financials	7,500	1,444	1,343
Crescent Capital BDC Inc.	United States	Financials	43,969	980	810
Cymabay Therapeutics Inc.	United States	Health Care	21,120	238	249
Dynatrace Inc.	United States	Information Technology	2,000	87	114
Emera Inc. Pfd. Series L	Canada	Utilities	6,370	159	119
Esperion Therapeutics Inc.	United States	Health Care	32,180	316	69
Fairfax Financial Holdings Ltd. Pfd. Series E	Canada	Financials	1,580	23	24
Fairfax Financial Holdings Ltd. Pfd. Series F	Canada	Financials	1,200	18	20
Fannie Mae Pfd. Series S	United States	Financials	575	5	1
Fidus Investment Corp.	United States	Financials	39,957	899	1,031
First Eagle Alternative Capital BDC Inc.	United States	Financials	183,832	1,035	1,062
FS KKR Capital Corp.	United States	Financials	35,915	947	899
Gladstone Capital Corp.	United States	Financials	66,028	886	840
Gladstone Investment Corp.	United States	Financials	49,244	840	883
Goldman Sachs BDC Inc.	United States	Financials	39,836	957	736
Golub Capital BDC Inc.	United States	Financials	52,297	992	959
GoPro Inc. Class A	United States	Consumer Discretionary	33,800	243	230
Harmonic Inc.	United States	Information Technology	14,100	239	278
Hercules Capital Inc.	United States	Financials	44,141	931	770
Horizon Technology Finance Corp.	United States	Financials	56,959	1,039	869
Infinera Corp.	United States	Information Technology	27,780	210	292
Intelsat Jackson Holdings SA	Luxembourg	Communication Services	2,898	124	94
Intelsat Jackson Holdings SA A Purchase Warrants Exp. 12-05-2025	Luxembourg	Communication Services	303	2	3
Intelsat Jackson Holdings SA B Purchase Warrants Exp. 12-05-2025	Luxembourg	Communication Services	303	1	3
ioavance Biotherapeutics Inc.	United States	Health Care	25,595	221	212
iQor US Inc.	United States	Information Technology	625	10	6
Legalzoom.com Inc.	United States	Industrials	20,900	249	265
Lions Gate Entertainment Corp. Class A	United States	Communication Services	17,279	155	259
LivePerson Inc.	United States	Information Technology	15,600	237	93
Loblaw Companies Ltd. 5.30% Cum. Red. 2nd Pfd. Series B	Canada	Consumer Staples	400	10	9
Main Street Capital Corp.	United States	Financials	6,538	344	349
Mersana Therapeutics Inc.	United States	Health Care	34,190	313	190
Monroe Capital Corp.	United States	Financials	74,608	933	772

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

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SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2023

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
EQUITIES (cont'd)					
Newtek Business Services Corp.	United States	Financials	29,497	947	511
Oaktree Specialty Lending Corp.	United States	Financials	35,738	912	907
Ocular Therapeutix Inc.	United States	Health Care	30,700	257	219
OneMarket Ltd.	Australia	Information Technology	770	–	–
Owl Rock Capital Corp.	United States	Financials	53,139	960	906
PennantPark Floating Rate Capital Ltd.	United States	Financials	59,359	924	852
PennantPark Investment Corp.	United States	Financials	102,235	794	730
Pinterest Inc.	United States	Communication Services	6,900	252	255
Portman Ridge Finance Corp.	United States	Financials	33,417	987	932
Prospect Capital Corp.	United States	Financials	95,923	956	904
Protagonist Therapeutics Inc.	United States	Health Care	11,630	234	362
PTC Therapeutics Inc.	United States	Health Care	3,900	247	256
Qualtrics International Inc.	United States	Information Technology	10,600	253	256
Rayonier Advanced Materials Inc.	United States	Materials	21,800	238	185
Roivant Sciences Ltd.	United States	Health Care	22,570	202	225
Saratoga Investment Corp.	United States	Financials	29,280	970	1,001
Sixth Street Specialty Lending Inc.	United States	Financials	12,043	332	298
SM Prime Holdings Inc.	Philippines	Real Estate	300,000	255	246
Solar Capital Ltd.	United States	Financials	89,023	2,003	1,811
Source Energy Services Ltd.	Canada	Energy	29,297	73	94
Squarespace Inc.	United States	Information Technology	7,600	272	327
SuRo Capital Corp.	United States	Financials	83,158	1,025	407
Tallinna Kaubamaja Grupp AS	Estonia	Consumer Staples	3,000	42	44
TCG BDC Inc.	United States	Financials	54,343	981	1,001
Technics Oil & Gas Ltd.	Singapore	Energy	7,762	5	–
Teekay Corp.	United States	Energy	28,300	240	237
The RealReal Inc.	United States	Consumer Discretionary	100,000	220	170
Transalta Corp. 4.60% Perpetual Pfd. Series C	Canada	Utilities	1,880	35	35
TransAlta Corp. Pfd. Series A	Canada	Utilities	14,354	196	185
Vonovia SE	Germany	Real Estate	35,000	1,327	890
Western Digital Corp.	United States	Information Technology	9,444	580	481
WhiteHorse Finance Inc.	United States	Financials	46,707	900	791
Yext Inc.	United States	Information Technology	20,810	174	271
Total equities				48,765	42,113
EXCHANGE-TRADED FUNDS/NOTES					
Energy Select Sector SPDR Fund	United States	Exchange-Traded Funds/Notes	100,000	9,668	11,204
Franklin Responsibly Sourced Gold ETF	United Kingdom	Exchange-Traded Funds/Notes	122,600	4,039	4,371
¹ Mackenzie Floating Rate Income ETF	Canada	Exchange-Traded Funds/Notes	2,633,484	48,346	45,822
SPDR Bloomberg Emerging Markets Local Bond ETF	United States	Exchange-Traded Funds/Notes	953,997	26,936	27,382
Utilities Select Sector SPDR Fund	United States	Exchange-Traded Funds/Notes	341,283	30,437	31,248
Vanguard FTSE Canadian Capped REIT Index ETF	Canada	Exchange-Traded Funds/Notes	660,121	20,701	19,816
Vanguard Real Estate ETF	United States	Exchange-Traded Funds/Notes	189,460	21,962	21,280
Total exchange-traded funds/notes				162,089	161,123
MUTUAL FUNDS					
Cortland Credit Institutional LP Unit	Canada	Mutual Funds	2,161,541	21,654	21,653
Four Quadrant Global Real Estate Partners Class J	Canada	Mutual Funds	519,086	5,981	6,116
² Mackenzie Alternative Enhanced Yield Fund Series R	Canada	Mutual Funds	693,179	6,950	6,089
² Mackenzie ChinaAMC All China Bond Fund Series R	Canada	Mutual Funds	69,063	691	702
² Mackenzie Gold Bullion Fund Series R	Canada	Mutual Funds	374,414	6,719	7,891
Picton Mahoney Fortified Market Neutral Alternative Fund	Canada	Mutual Funds	1,329,935	18,000	18,530
Total mutual funds				59,995	60,981
Total long positions				294,210	284,360
SHORT POSITIONS					
EQUITIES					
Alpha Metallurgical Resources Inc.	United States	Materials	(990)	(175)	(209)
Aspen Aerogels Inc.	United States	Materials	(17,400)	(232)	(175)
Bill.com Holdings Inc.	United States	Information Technology	(2,070)	(282)	(227)
Block Inc.	United States	Financials	(2,300)	(249)	(214)

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

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SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2023

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
SHORT POSITIONS (cont'd)					
EQUITIES (cont'd)					
Celsius Holdings Inc.	United States	Consumer Staples	(1,900)	(231)	(239)
Cinemark Holdings Inc.	United States	Communication Services	(13,050)	(223)	(261)
Generac Holdings Inc.	United States	Industrials	(1,610)	(201)	(235)
Gulfport Energy Corp.	United States	Energy	(2,180)	(178)	(236)
HubSpot Inc.	United States	Information Technology	(430)	(166)	(249)
Intrepid Potash Inc.	United States	Materials	(5,400)	(291)	(202)
iRhythm Technologies Inc.	United States	Health Care	(1,572)	(184)	(264)
Karuna Therapeutics Inc.	United States	Health Care	(900)	(242)	(221)
Krystal Biotech Inc.	United States	Health Care	(2,610)	(262)	(283)
Kura Sushi USA Inc.	United States	Consumer Discretionary	(2,680)	(187)	(239)
Laredo Petroleum Holdings Inc.	United States	Energy	(3,200)	(312)	(197)
Nabors Industries Ltd.	United States	Energy	(1,250)	(253)	(206)
Norwegian Cruise Line Holdings Ltd.	United States	Consumer Discretionary	(12,280)	(273)	(223)
Palomar Holdings Inc.	United States	Financials	(3,000)	(241)	(224)
Piedmont Lithium Inc.	United States	Materials	(3,020)	(246)	(245)
Revolve Group Inc.	United States	Consumer Discretionary	(6,500)	(243)	(231)
Shockwave Medical Inc.	United States	Health Care	(940)	(218)	(276)
SilverBow Resources Inc.	United States	Energy	(6,170)	(290)	(191)
SiTime Corp.	United States	Information Technology	(1,400)	(244)	(269)
Sitio Royalties Corp. Class A	United States	Energy	(7,300)	(243)	(223)
Sunnova Energy International Inc.	United States	Utilities	(10,000)	(251)	(211)
Sweetgreen Inc. Class A	United States	Consumer Discretionary	(21,200)	(238)	(225)
Tesla Inc.	United States	Consumer Discretionary	(900)	(231)	(253)
Twilio Inc. Class A	United States	Information Technology	(2,410)	(260)	(217)
Wolfspeed Inc.	United States	Information Technology	(2,430)	(268)	(213)
Zscaler Inc.	United States	Information Technology	(1,490)	(208)	(235)
Total equities				(7,122)	(6,893)
Total short positions				(7,122)	(6,893)
Transaction costs				(134)	–
Total investments				286,954	277,467
Derivative instruments (see schedule of derivative instruments)					(778)
Cash and cash equivalents					39,831
Other assets less liabilities					1,238
Net assets attributable to securityholders					317,758

¹ This exchange-traded fund is managed by Mackenzie.

² This fund is managed by Mackenzie.

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

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SUMMARY OF INVESTMENT PORTFOLIO

MARCH 31, 2023

EFFECTIVE PORTFOLIO ALLOCATION	% OF NAV
Equities	43.7
Bonds	36.1
<i>Bonds</i>	36.1
<i>Short bond futures</i>	–
Cash and short-term investments	17.1
Commodities	3.4
<i>Commodities</i>	2.5
<i>Long commodity futures</i>	0.9
Other assets (liabilities)	0.4
Exchange-traded funds/notes	(0.7)

EFFECTIVE REGIONAL ALLOCATION	% OF NAV
United States	51.3
Cash and short-term investments	17.1
Canada	17.1
Other	5.9
China	1.4
South Korea	1.1
Luxembourg	0.8
Indonesia	0.8
Peru	0.7
Mexico	0.6
Malaysia	0.6
United Kingdom	0.5
Germany	0.5
Philippines	0.4
Brazil	0.4
Poland	0.4
Other assets (liabilities)	0.4

EFFECTIVE SECTOR ALLOCATION	% OF NAV
Cash and short-term investments	17.1
Real estate	15.5
Corporate bonds	13.1
Term loans	12.9
Financials	10.8
Utilities	9.9
Foreign government bonds	8.7
Energy	3.8
Commodities	3.4
Other	1.6
Health care	1.0
Information technology	0.9
Industrials	0.5
Consumer staples	0.5
Materials	0.4
Other assets (liabilities)	0.4
Communication services	0.2
Exchange-traded funds/notes	(0.7)

MARCH 31, 2022

EFFECTIVE PORTFOLIO ALLOCATION	% OF NAV
Equities	63.6
Bonds	18.9
Commodities	9.7
Cash and short-term investments	4.9
Other assets (liabilities)	2.9

EFFECTIVE REGIONAL ALLOCATION	% OF NAV
United States	59.6
Canada	16.4
Other	8.7
Cash and short-term investments	4.9
Other assets (liabilities)	2.9
Japan	1.6
Australia	1.4
Hong Kong	1.1
United Kingdom	0.9
Singapore	0.6
Germany	0.5
Luxembourg	0.4
China	0.3
Sweden	0.3
Belgium	0.2
Brazil	0.2

EFFECTIVE SECTOR ALLOCATION	% OF NAV
Real estate	20.8
Financials	14.1
Utilities	13.5
Corporate bonds	10.9
Commodities	9.7
Materials	8.6
Term loans	7.8
Cash and short-term investments	4.9
Energy	4.6
Other assets (liabilities)	2.9
Communication services	0.6
Information technology	0.5
Consumer discretionary	0.5
Other	0.2
Federal bonds	0.2
Health care	0.2

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

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

SCHEDULE OF DERIVATIVE INSTRUMENTS

as at March 31, 2023

Schedule of Futures Contracts

Type of Contract	Number of Contracts	Expiration Date	Average Rate of Contracts (\$)	Notional Value* (\$ 000)	Unrealized Gains (\$ 000)	Unrealized Losses (\$ 000)
Lean Hogs Futures April 2023	15	Apr. 17, 2023	86.00 USD	611	–	(87)
Wheat Futures (CBT) May 2023	60	May 12, 2023	773.50 USD	2,809	–	(330)
10 Year Japanese Government Bond Futures June 2023	(2)	Jun. 13, 2023	145.49 JPY	(3,019)	–	(54)
Ultra United States Treasury Bond Futures June 2023	(2)	Jun. 21, 2023	135.81 USD	(382)	–	(14)
Total futures contracts				19	–	(485)

* Notional value represents the exposure to the underlying instruments as at March 31, 2023

Schedule of Forward Currency Contracts

Counterparty Credit Rating	Currency to be Received (\$ 000)	Currency to be Delivered (\$ 000)	Settlement Date	Contract Cost (\$ 000)	Current Fair Value (\$ 000)	Unrealized Gains (\$ 000)	Unrealized Losses (\$ 000)
A	41,897 CAD	(31,000) USD	Apr. 6, 2023	(41,897)	(41,922)	–	(25)
A	31,000 USD	(42,083) CAD	Apr. 6, 2023	42,083	41,921	–	(162)
A	810 USD	(1,082) CAD	Apr. 21, 2023	1,082	1,094	12	–
A	449 USD	(610) CAD	Apr. 21, 2023	610	606	–	(4)
A	20 EUR	(29) CAD	Apr. 24, 2023	29	29	–	–
A	159 CAD	(109) EUR	Apr. 28, 2023	(159)	(160)	–	(1)
A	20 EUR	(29) CAD	Apr. 28, 2023	29	29	–	–
A	29 CAD	(20) EUR	Apr. 28, 2023	(29)	(29)	–	–
A	6,333 CAD	(4,730) USD	Apr. 28, 2023	(6,333)	(6,390)	–	(57)
A	29,862 CAD	(22,300) USD	May 16, 2023	(29,862)	(30,118)	–	(256)
A	43 CAD	(30) EUR	May 19, 2023	(43)	(44)	–	(1)
A	334 CAD	(250) USD	May 19, 2023	(334)	(338)	–	(4)
AA	694 CAD	(520) USD	May 19, 2023	(694)	(702)	–	(8)
AA	90 USD	(120) CAD	May 19, 2023	120	121	1	–
AA	669 CAD	(500) USD	May 19, 2023	(669)	(675)	–	(6)
A	389 USD	(528) CAD	May 19, 2023	528	525	–	(3)
AA	464 CAD	(340) USD	May 19, 2023	(464)	(460)	4	–
AA	190 USD	(260) CAD	May 19, 2023	260	257	–	(3)
A	1,134 CAD	(850) USD	May 26, 2023	(1,134)	(1,147)	–	(13)
AA	1,339 CAD	(1,003) USD	May 26, 2023	(1,339)	(1,354)	–	(15)
A	232 CAD	(170) USD	May 26, 2023	(232)	(229)	3	–
AA	145 CAD	(105) USD	May 26, 2023	(145)	(142)	3	–
AA	223 CAD	(155) EUR	Jun. 2, 2023	(223)	(228)	–	(5)
A	792 CAD	(589) USD	Jun. 2, 2023	(792)	(795)	–	(3)
A	312 USD	(419) CAD	Jun. 2, 2023	419	421	2	–
AA	232 CAD	(170) USD	Jun. 9, 2023	(232)	(229)	3	–
AA	4,123 CAD	(3,014) USD	Jun. 23, 2023	(4,123)	(4,068)	55	–
A	42,011 CAD	(31,000) USD	Jul. 18, 2023	(42,011)	(41,821)	190	–
Total forward currency contracts						273	(566)

Total Derivative assets

273

Total Derivative liabilities

(1,051)

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

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, 2023 and 2022, as applicable. In the year a Fund or series is established or reinstated, 'period' represents the period from inception or reinstatement. Where a series of a Fund was terminated during either period, the information for the series is provided up to close of business on the termination date. Refer to Note 10 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. Canada Life Investment Management Ltd. ("CLIML") is wholly owned by The Canada Life Assurance Company ("Canada Life"), 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 instruments that have been measured at fair value.

These financial statements were authorized for issue by the Board of Directors of Mackenzie Financial Corporation on June 5, 2023.

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

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, private funds and exchange-traded funds, if any, at FVTPL. For private funds, Mackenzie will rely on the valuations provided by the managers of the private funds, which represents the Fund's proportionate share of the net assets of these private funds.

The Fund's redeemable securities entitle securityholders the right to redeem their interest in the Fund for cash equal to their proportionate share of the net asset value of the Fund, amongst other contractual rights. The Fund's redeemable securities 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.

(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.

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(b) Fair value measurement (cont'd)

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 constituting 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.

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.

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 change in unrealized gains or losses that are best determined at the settlement price. 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 paid for purchasing an option are recorded in the Statement of Financial Position – Investments at fair value.

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, 2023.

The Fund categorizes the fair value of its assets and liabilities into three categories, which are differentiated based on the observable nature of the inputs and extent of estimation required.

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. Examples of Level 2 valuations include quoted prices for similar securities, quoted prices on inactive markets and from recognized investment dealers, and the application of factors derived from observable data to non-North American quoted prices in order to estimate the impact of differences in market closing times.

Financial instruments classified as Level 2 investments are valued based on the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data and using standard market convention practices. Short-term investments classified as Level 2 investments are valued based on amortized cost plus accrued interest which closely approximates fair value.

The estimated fair values for these securities may be different from the values that would have been used had a ready market for the investment existed; 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.

See Note 10 for the fair value classifications of the Fund.

(c) Income recognition

Interest income for distribution purposes represents the coupon interest received by the Fund which is accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds, which are amortized on a straight-line basis. Dividends are accrued as of the ex-dividend date. Unrealized gains or losses on investments, 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, realized gains (losses) on sale of investments or fee rebate income, as appropriate, on the ex-dividend or distribution date.

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(c) Income recognition (cont'd)

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

(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, exchanges, brokers, dealers and other intermediaries. The total brokerage commissions incurred by the Fund in connection with portfolio transactions for the periods, together with other transaction charges, is disclosed in the Statements of Comprehensive Income. Brokerage business is allocated to brokers based on the best net result for the Fund. Subject to this criteria, 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 these services generated during the periods is disclosed in Note 10. 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.

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 included in the Statement of Comprehensive Income and recognized when earned. Securities lending transactions are administered by The Bank of New York Mellon (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.

Note 10 summarizes the details of securities loaned and collateral received as at the end of period, as well as a reconciliation of securities lending income during the period, if applicable. Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments, and financial institutions.

(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 10 summarizes the details of such offsetting, if applicable, subject to master netting arrangements or other similar agreements and the net impact to the Statements of Financial Position if all such rights were exercised.

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) 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 and is disclosed in Note 10.

(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

In a fund merger, the Fund acquires all of the assets and assumes all of the liabilities of the terminating fund at fair value in exchange for securities of the Fund on the effective date of the merger.

(l) Future accounting changes

The Fund has determined there are no material implications to the Fund's financial statements arising from IFRS issued but not yet effective.

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

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NOTES TO FINANCIAL STATEMENTS

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 following discusses the most significant accounting judgments and estimates made in preparing the financial statements:

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

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.

Interest in unconsolidated structured entities

In determining whether an unlisted open-ended investment fund or an exchange-traded fund in which the Fund invests ("Underlying Funds"), but that it does not consolidate, meets the definition of a structured entity, Mackenzie is required to make significant judgments about whether these underlying funds have the typical characteristics of a structured entity. These Underlying Funds do meet the definition of a structured entity because:

- I. The voting rights in the Underlying Funds are not dominant factors in deciding who controls them;
- II. the activities of the Underlying Funds are restricted by their offering documents; and
- III. the Underlying Funds have narrow and well-defined investment objective to provide investment opportunities for investors while passing on the associated risks and rewards.

As a result, such investments are accounted for at FVTPL. Note 10 summarizes the details of the Funds' interest in these Underlying Funds, if applicable.

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. The Fund maintains a December year-end for tax purposes. The Fund may be subject to withholding taxes on foreign income. In general, the Fund treats withholding tax as a charge against income for tax purposes. The Fund will distribute sufficient amounts from net income for tax purposes, as required, so that the Fund will not pay income taxes other than refundable tax on capital gains, 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 10 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, except B-Series, 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.

All expenses relating to the operation of the Fund attributable to B-Series securities will be charged to that particular series. Operating expenses include legal, audit, transfer agent, custodian, administration and trustee services, cost of financial reporting and Simplified Prospectus printing, regulatory filing fees and other miscellaneous expenses specifically attributable to the B-Series securities and any applicable taxes.

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NOTES TO FINANCIAL STATEMENTS

6. Management Fees and Operating Expenses (cont'd)

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 10 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, 2023 and 2022 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 10.

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, 2023, 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 become 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.

In order to comply with securities regulations, the Fund must maintain at least 85% of its assets in liquid investments (i.e., investments that can be readily sold).

iii. Currency risk

Currency risk is the risk that financial instruments which are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's functional currency, will fluctuate due to changes in exchange rates. Generally, foreign denominated investments increase in value when the value of the Canadian dollar (relative to foreign currencies) falls. Conversely, when the value of the Canadian dollar rises relative to foreign currencies, the values of foreign denominated investments fall.

Note 10 indicates the foreign currencies, if applicable, to which the Fund had significant exposure, including both monetary and non-monetary financial instruments, and illustrates the potential impact, in Canadian dollar terms, to the Fund's net assets had the Canadian dollar strengthened or weakened by 5% relative to all foreign currencies, all other variables held constant. In practice, the actual trading results may differ and the difference could be material.

The Fund's sensitivity to currency risk illustrated in Note 10 includes potential indirect impacts from underlying funds and Exchange Traded Funds ("ETFs") in which the Fund invests, and/or derivative contracts including forward currency contracts. Other financial assets and liabilities (including dividends and interest receivable, and receivables/payables for investments sold/purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.

iv. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Generally, these securities increase in value when interest rates fall and decrease in value when interest rates rise.

If significant, Note 10 summarizes the Fund's interest-bearing financial instruments by remaining term to maturity and illustrates the potential impact to the Fund's net assets had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, all other variables held constant. The Fund's sensitivity to interest rate changes was estimated using weighted average duration. In practice, the actual trading results may differ and the difference could be material.

The Fund's sensitivity to interest rate risk illustrated in Note 10 includes potential indirect impacts from underlying funds and ETFs in which the Fund invests, and/or derivative contracts. Cash and cash equivalents and other money market instruments are short term in nature and are not generally subject to significant amounts of 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, 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, theoretically 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.

MACKENZIE DIVERSIFIED ALTERNATIVES FUND

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NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

v. Other price risk (cont'd)

Other price risk typically arises from exposure to equity and commodity securities. If significant, Note 10 illustrates the potential increase or decrease in the Fund's net assets, had the prices on the respective exchanges for these securities increased or decreased by 10%, all other variables held constant. In practice, the actual trading results may differ and the difference could be material.

The Fund's sensitivity to other price risk illustrated in Note 10 includes potential indirect impacts from underlying funds and ETFs in which the Fund invests, and/or derivative contracts.

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 10 summarizes the Fund's exposure, if applicable and significant, to credit risk.

If presented, credit ratings and rating categories are based on ratings issued by a designated rating organization. Indirect exposure to credit risk may arise from fixed-income securities, such as bonds, held by underlying funds and ETFs, if any. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

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 10 summarizes the Fund's exposure, if applicable and significant, to these risks from underlying funds.

9. Other Information

Abbreviations

Foreign currencies, if any, are presented in these financial statements using the following abbreviated currency codes:

Currency Code	Description	Currency Code	Description	Currency Code	Description
AUD	Australian dollars	HUF	Hungarian forint	PLN	Polish zloty
AED	United Arab Emirates Dirham	IDR	Indonesian rupiah	QAR	Qatar Rial
BRL	Brazilian real	ILS	Israeli shekel	RON	Romanian leu
CAD	Canadian dollars	INR	Indian rupee	RUB	Russian ruble
CHF	Swiss franc	JPY	Japanese yen	SAR	Saudi riyal
CKZ	Czech koruna	KOR	South Korean won	SEK	Swedish krona
CLP	Chilean peso	MXN	Mexican peso	SGD	Singapore dollars
CNY	Chinese yuan	MYR	Malaysian ringgit	THB	Thailand baht
COP	Colombian peso	NGN	Nigerian naira	TRL	Turkish lira
DKK	Danish krone	NOK	Norwegian krona	USD	United States dollars
EGP	Egyptian pound	NTD	New Taiwan dollar	VND	Vietnamese dong
EUR	Euro	NZD	New Zealand dollars	ZAR	South African rand
GBP	United Kingdom pounds	PEN	Peruvian nuevo sol	ZMW	Zambian kwacha
GHS	Ghana Cedi	PHP	Philippine peso		
HKD	Hong Kong dollars	PKR	Pakistani rupee		

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NOTES TO FINANCIAL STATEMENTS

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

(a) Fund Formation and Series Information

Date of Formation: September 29, 2015

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, Series T5 and Series T8 securities are offered to retail investors investing a minimum of \$500 (\$5,000 for Series T5 and Series T8). Investors in Series T5 and Series T8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively.

Series AR securities are offered to retail investors in a Registered Disability Savings Plan offered by Mackenzie.

Series D securities are offered to retail investors investing a minimum of \$500 through a discount brokerage or other account approved by Mackenzie.

Series F, Series F5 and Series F8 securities are offered to 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 (\$5,000 for Series F5 and Series F8); they are also available to employees of Mackenzie and its subsidiaries, and directors of Mackenzie. Investors in Series F5 and Series F8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively.

Series FB and Series FB5 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 FB5 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 are enrolled in Mackenzie Portfolio Architecture Service or Open Architecture Service; certain institutional investors; investors in a qualified group plan, and certain qualifying employees of Mackenzie and its subsidiaries.

Series PW, Series PWT5 and Series PWT8 securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000. Investors in Series PWT5 and Series PWT8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively.

Series PWFB and Series PWFB5 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 PWFB5 securities also want to receive a monthly cash flow of 5% per year.

Series PWR securities are offered through our Private Wealth Solutions to certain high net worth investors who invest a minimum of \$100,000 in a Registered Disability Savings Plan offered by Mackenzie.

Series PWX, Series PWX5 and Series PWX8 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 PWX5 and Series PWX8 securities also want to receive a monthly cash flow of 5% or 8% per year, respectively.

Series S securities are offered to The Canada Life Assurance Company and certain other mutual funds, but may be sold to other investors as determined by Mackenzie.

Series UM securities are offered only to certain institutional investors.

Effective June 1, 2022, an investor may purchase the Fund only under a sales charge purchase option. The sales charge under the sales charge purchase option is negotiated by the investor with their dealer. Securities purchased before June 1, 2022, under the redemption charge purchase option, low-load 3 purchase option and low-load 2 purchase option (collectively the "deferred sales charge purchase options") may continue to be held in investor accounts. Investors may switch from securities of a Mackenzie fund previously purchased under these deferred sales charge purchase options to securities of other Mackenzie funds, under the same purchase option, until such time as the redemption schedule has expired. For further details, please refer to the Fund's Simplified Prospectus and Fund Facts.

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NOTES TO FINANCIAL STATEMENTS

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

(a) Fund Formation and Series Information (cont'd)

Series	Inception/ Reinstatement Date	Management Fee	Administration Fee
Series A	October 26, 2015	1.85%	0.21%
Series AR	October 26, 2015	1.85%	0.24%
Series D	October 26, 2015	0.85% ⁽³⁾	0.16%
Series F	October 26, 2015	0.70%	0.15%
Series F5	October 26, 2015	0.70%	0.15%
Series F8	October 24, 2018	0.70%	0.15%
Series FB	October 26, 2015	0.85%	0.21%
Series FB5	October 26, 2015	0.85%	0.21%
Series O	October 26, 2015	— ⁽¹⁾	n/a
Series PW	October 26, 2015	1.70%	0.15%
Series PWFB	April 3, 2017	0.70%	0.15%
Series PWFB5	April 3, 2017	0.70%	0.15%
Series PWR	April 1, 2019	1.70%	0.15%
Series PWT5	October 26, 2015	1.70%	0.15%
Series PWT8	October 24, 2018	1.70%	0.15%
Series PWX	October 26, 2015	— ⁽²⁾	— ⁽²⁾
Series PWX5	October 26, 2015	— ⁽²⁾	— ⁽²⁾
Series PWX8	October 24, 2018	— ⁽²⁾	— ⁽²⁾
Series S	October 2, 2017	— ⁽¹⁾	0.025%
Series T5	October 26, 2015	1.85%	0.21%
Series T8	October 24, 2018	1.85%	0.21%
Series UM	October 16, 2017	0.50%	0.15%

(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.

(3) Prior to April 4, 2022, the management fee for Series D was charged to the Fund at a rate of 1.10%.

(b) Tax Loss Carryforwards

Total Capital Loss \$	Total Non-Capital Loss \$	Expiration Date of Non-Capital Losses													
		2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
37,900	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

(c) Securities Lending

As at March 31, 2023 and 2022, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.

(d) Commissions

	(\$)
March 31, 2023	106
March 31, 2022	87

(e) Risks Associated with Financial Instruments

i. Risk exposure and management

The Fund seeks long-term capital appreciation and the potential for income by investing directly or indirectly, including through the use of derivatives, in a diversified portfolio of alternative asset classes, including real estate, infrastructure, currencies, non-traditional equities and fixed income, and/or other asset classes of issuers located anywhere in the world.

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NOTES TO FINANCIAL STATEMENTS

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

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

ii. Currency risk

The tables below summarize the Fund's exposure to currency risk.

March 31, 2023								
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)	Impact on net assets			
					Strengthened by 5%		Weakened by 5%	
					(\$)	%	(\$)	%
USD	142,518	18,498	(85,876)	75,140				
EUR	1,498	17	(403)	1,112				
GBP	263	189	–	452				
PHP	246	–	–	246				
COP	153	–	–	153				
JPY	–	124	(54)	70				
AUD	–	19	–	19				
CHF	–	6	–	6				
Total	144,678	18,853	(86,333)	77,198				
% of Net Assets	45.5	5.9	(27.2)	24.2				
Total currency rate sensitivity					(4,538)	(1.4)	4,538	1.4

March 31, 2022								
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)	Impact on net assets			
					Strengthened by 5%		Weakened by 5%	
					(\$)	%	(\$)	%
USD	229,039	(6,759)	(103,543)	118,737				
AUD	2,124	8	–	2,132				
GBP	268	186	–	454				
PHP	273	–	–	273				
EUR	471	–	(231)	240				
COP	166	–	–	166				
JPY	–	60	–	60				
RUB	10	–	–	10				
ILS	1	–	–	1				
Total	232,352	(6,505)	(103,774)	122,073				
% of Net Assets	60.3	(1.7)	(26.9)	31.7				
Total currency rate sensitivity					(7,703)	(2.0)	7,703	2.0

* Includes both monetary and non-monetary financial instruments

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NOTES TO FINANCIAL STATEMENTS

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

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

iii. Interest rate risk

The tables below summarize the Fund's exposure to interest rate risks from its investments in bonds and derivative instruments by term to maturity.

	Bonds (\$)	Derivative Instruments (\$)	Impact on net assets			
			Increase by 1%		Decrease by 1%	
March 31, 2023			(\$)	(%)	(\$)	(%)
Less than 1 year	52	(3,401)				
1-5 years	10,641	–				
5-10 years	6,032	–				
Greater than 10 years	3,418	–				
Total	20,143	(3,401)				
Total sensitivity to interest rate changes			(2,466)	(0.8)	2,466	0.8

	Bonds (\$)	Derivative Instruments (\$)	Impact on net assets			
			Increase by 1%		Decrease by 1%	
March 31, 2022			(\$)	(%)	(\$)	(%)
Less than 1 year	238	–				
1-5 years	10,151	–				
5-10 years	9,095	–				
Greater than 10 years	2,311	–				
Total	21,795	–				
Total sensitivity to interest rate changes			(968)	(0.3)	968	0.3

iv. Other price risk

The table below summarizes the Fund's exposure to other price risk.

Impact on net assets	Increased by 10%		Decreased by 10%	
	(\$)	(%)	(\$)	(%)
March 31, 2023	17,116	5.4	(17,116)	(5.4)
March 31, 2022	27,194	7.1	(27,194)	(7.1)

v. Credit risk

The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum exposure to any one debt issuer as at March 31, 2023, was 0.3% of the net assets of the Fund (2022 – 0.2%).

As at March 31, 2023 and 2022, debt securities by credit rating are as follows:

Bond Rating*	March 31, 2023	March 31, 2022
	% of Net Assets	% of Net Assets
BBB	0.6	0.1
Less than BBB	4.6	4.6
Unrated	1.2	1.0
Total	6.4	5.7

* Credit ratings and rating categories are based on ratings issued by a designated rating organization

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NOTES TO FINANCIAL STATEMENTS

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

(f) Fair Value Classification

The table below summarizes the fair value of the Fund's financial instruments using the fair value hierarchy described in note 3.

	March 31, 2023				March 31, 2022			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	20,143	–	20,143	1,074	20,711	10	21,795
Equities – Long	39,341	2,666	106	42,113	87,256	2,863	157	90,276
Equities – Short	(6,893)	–	–	(6,893)	(4,705)	–	–	(4,705)
Exchange-traded funds/notes	161,123	–	–	161,123	174,814	–	–	174,814
Mutual funds	14,682	27,769	18,530	60,981	27,693	51,095	–	78,788
Derivative assets	–	273	–	273	–	1,817	–	1,817
Derivative liabilities	(485)	(566)	–	(1,051)	–	(48)	–	(48)
Short-term investments	–	–	–	–	–	6,953	–	6,953
Total	207,768	50,285	18,636	276,689	286,132	83,391	167	369,690

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.

During the period ended March 31, 2023, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at March 31, 2023, these securities were classified as Level 2 (2022 – Level 2).

During the period ended March 31, 2023, equities with a fair value of \$1,648 (2022 – \$Nil) and bonds with a fair value of \$1,021 (2022 – \$Nil) were transferred from Level 1 to Level 2 as a result of changes in the inputs used for valuation.

The table below presents a reconciliation of financial instruments measured at fair value using unobservable inputs (Level 3) for the periods ended March 31, 2023 and 2022:

	March 31, 2023				March 31, 2022		
	Equities (\$)	Bonds (\$)	Mutual funds (\$)	Total (\$)	Equities (\$)	Bonds (\$)	Total (\$)
Balance – beginning of period	157	10	–	167	27	–	27
Purchases	–	–	18,000	18,000	134	143	277
Sales	(3)	(161)	–	(164)	–	–	–
Net transfers in (out)	3	–	–	3	–	7	7
Gains (losses) during the period:				–			–
Realized	–	(351)	–	(351)	–	–	–
Unrealized	(51)	502	530	981	(4)	(140)	(144)
Balance – end of period	106	–	18,530	18,636	157	10	167
Unrealized gains (losses) during the period attributable to securities held at end of period	(51)	–	530	479	(4)	(502)	(506)

Level 3 investments of \$18,636 (2022 – \$167) have been valued based on financing transactions and values of comparable indices that are observable. If the value of these investments were to increase or decrease by 10%, the value of the Fund would increase or decrease by \$1,864 (2022 – \$17).

(g) Investments by the Manager and Affiliates

The investments held by the Manager, other funds managed by the Manager, and funds managed by affiliates of the Manager, investing in series CL, IG or S of the Fund, as applicable (as described in *Fund Formation and Series Information* in note 10), were as follows:

	March 31, 2023	March 31, 2022
	(\$)	(\$)
The Manager	17	19
Other funds managed by the Manager	–	–
Funds managed by affiliates of the Manager	2,338	2,635

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NOTES TO FINANCIAL STATEMENTS

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

(h) Offsetting of Financial Assets and Liabilities

The tables below present financial assets and financial liabilities that are subject to master netting arrangements or other similar agreements and the net impact on the Fund's Statements of Financial Position if all set-off rights were exercised as part of future events such as bankruptcy or termination of contracts. No amounts were offset in the financial statements.

	March 31, 2023			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	198	(192)	–	6
Unrealized losses on derivative contracts	(697)	192	800	295
Liability for options written	–	–	–	–
Total	(499)	–	800	301

	March 31, 2022			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	1,186	(10)	–	1,176
Unrealized losses on derivative contracts	(10)	10	–	–
Liability for options written	–	–	–	–
Total	1,176	–	–	1,176

(i) Interest in Unconsolidated Structured Entities

The Fund's investment details in the Underlying Funds as at March 31, 2023 and 2022 are as follows:

March 31, 2023	% of Underlying Fund's Net Assets	Fair Value of Fund's Investment (\$)
Cortland Credit Institutional LP Unit	58.5	21,653
Energy Select Sector SPDR Fund	0.0	11,204
Four Quadrant Global Real Estate Partners Class J	0.5	6,116
Franklin Responsibly Sourced Gold ETF	2.8	4,371
Mackenzie Alternative Enhanced Yield Fund Series R	20.6	6,089
Mackenzie ChinaAMC All China Bond Fund Series R	3.3	702
Mackenzie Floating Rate Income ETF	6.7	45,822
Mackenzie Gold Bullion Fund Series R	2.9	7,891
Picton Mahoney Fortified Market Neutral Alternative Fund	1.8	18,530
SPDR Bloomberg Emerging Markets Local Bond ETF	1.2	27,382
Utilities Select Sector SPDR Fund	0.1	31,248
Vanguard FTSE Canadian Capped REIT Index ETF	6.2	19,816
Vanguard Real Estate ETF	0.0	21,280

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NOTES TO FINANCIAL STATEMENTS

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

(i) Interest in Unconsolidated Structured Entities (cont'd)

March 31, 2022	% of Underlying Fund's Net Assets	Fair Value of Fund's Investment (\$)
CI Gold Bullion Fund	32.9	9,852
Cortland Credit Institutional LP Unit	30.4	27,019
Energy Select Sector SPDR Fund	0.0	15,452
Four Quadrant Global Real Estate Partners Class J	1.6	24,076
iShares Silver Trust ETF	0.0	1,915
Mackenzie Alternative Enhanced Yield Fund Series R	33.3	12,028
Mackenzie ChinaAMC All China Bond Fund Series R	3.4	677
Mackenzie Floating Rate Income ETF	2.4	26,952
Mackenzie Gold Bullion Fund Series R	4.1	14,988
SPDR Gold Shares ETF	0.0	10,506
SPDR S&P Metals & Mining ETF	0.1	6,199
Utilities Select Sector SPDR Fund	0.3	49,564
Vanguard Global ex-U.S. Real Estate ETF	0.4	26,790
Vanguard Real Estate ETF	0.0	27,584

(j) Dividend income

Included in dividend income for the period ended March 31, 2023 are dividends paid on securities sold short of \$36 (2022 – \$6).