

MACKENZIE CREDIT ABSOLUTE RETURN FUND

Interim Unaudited Financial Statements

For the Six-Month Period Ended September 30, 2023

These Interim Unaudited Financial Statements do not contain the Interim Management Report of Fund Performance ("MRFP") of the investment fund. You may obtain a copy of the Interim MRFP, at no cost, by contacting us using one of the methods noted under Fund Formation and Series Information or by visiting the SEDAR+ website at www.sedarplus.ca. Copies of the Annual Financial Statements or Annual MRFP may also be obtained, at no cost, using any of the methods outlined above.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS

Mackenzie Financial Corporation, the Manager of the Mackenzie Credit Absolute Return Fund (the "Fund"), appoints independent auditors to audit the Fund's Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Interim Financial Statements, this must be disclosed in an accompanying notice.

The Fund's independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.



MACKENZIE
Investments

MACKENZIE CREDIT ABSOLUTE RETURN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

STATEMENTS OF FINANCIAL POSITION

at (in \$ 000 except per security amounts)

| | Sep. 30 2023 | Mar. 31 2023 (Audited) |
|---|-----------------|------------------------------|
| | \$ | \$ |
| ASSETS | | |
| Current assets | | |
| Investments at fair value | 73,787 | 99,207 |
| Cash and cash equivalents | 27,254 | 21,270 |
| Accrued interest receivable | 1,293 | 1,475 |
| Dividends receivable | 4 | – |
| Accounts receivable for investments sold | 2 | 76 |
| Accounts receivable for securities issued | 7 | 6 |
| Margin on derivatives | 1,263 | 1,049 |
| Derivative assets | 329 | 1,519 |
| Total assets | 103,939 | 124,602 |
| LIABILITIES | | |
| Current liabilities | | |
| Investments sold short at fair value | 3,397 | 3,558 |
| Accounts payable for investments purchased | – | 130 |
| Accounts payable for securities redeemed | – | – |
| Interest payable on securities sold short | 31 | 37 |
| Dividends payable on securities sold short | 1 | 1 |
| Due to manager | – | 6 |
| Liability for options written | – | 62 |
| Derivative liabilities | 617 | 540 |
| Total liabilities | 4,046 | 4,334 |
| Net assets attributable to securityholders | 99,893 | 120,268 |

STATEMENTS OF COMPREHENSIVE INCOME

for the periods ended September 30 (in \$ 000 except per security amounts)

| | 2023 \$ | 2022 \$ |
|---|----------------|----------------|
| Income (note 10(j)) | | |
| Dividends | 44 | 55 |
| Interest income for distribution purposes | 3,081 | 3,063 |
| Other changes in fair value of investments and other net assets | | |
| Net realized gain (loss) | (3,929) | (2,824) |
| Net unrealized gain (loss) | (1,829) | (8,913) |
| Fee rebate income | – | 4 |
| Total income (loss) | (2,633) | (8,615) |
| Expenses (note 6) | | |
| Management fees | 24 | 25 |
| Administration fees | 5 | 5 |
| Interest charges | 3 | 2 |
| Borrowing fees | 84 | 5 |
| Commissions and other portfolio transaction costs | 14 | 117 |
| Independent Review Committee fees | – | – |
| Expenses before amounts absorbed by Manager | 130 | 154 |
| Expenses absorbed by Manager | – | – |
| Net expenses | 130 | 154 |
| Increase (decrease) in net assets attributable to securityholders from operations before tax | (2,763) | (8,769) |
| Foreign withholding tax expense (recovery) | 1 | 2 |
| Foreign income tax expense (recovery) | – | – |
| Increase (decrease) in net assets attributable to securityholders from operations | (2,764) | (8,771) |

Net assets attributable to securityholders (note 3)

| | per security | | per series | |
|-------------|-----------------|------------------------------|-----------------|------------------------------|
| | Sep. 30 2023 | Mar. 31 2023 (Audited) | Sep. 30 2023 | Mar. 31 2023 (Audited) |
| Series A | 7.92 | 8.33 | 105 | 124 |
| Series CL | 8.07 | 8.50 | 15,904 | 16,738 |
| Series F | 7.99 | 8.41 | 4,952 | 5,477 |
| Series FB | 7.96 | 8.38 | 3 | 3 |
| Series O | 8.13 | 8.56 | 2,058 | 1,901 |
| Series PW | 7.93 | 8.35 | 31 | 32 |
| Series PWFB | 8.02 | 8.44 | 1 | 1 |
| Series PWX | 8.13 | 8.56 | 1 | 1 |
| Series R | 8.13 | 8.56 | 76,838 | 95,991 |
| | | | 99,893 | 120,268 |

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

| | per security | | per series | |
|-------------|--------------|--------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| Series A | (0.29) | (0.59) | (4) | (18) |
| Series CL | (0.22) | (0.57) | (435) | (888) |
| Series F | (0.26) | (0.65) | (171) | (406) |
| Series FB | (0.27) | (1.06) | – | – |
| Series O | (0.22) | (0.61) | (53) | (80) |
| Series PW | (0.28) | (0.65) | (1) | (7) |
| Series PWFB | (0.25) | (0.09) | – | – |
| Series PWX | (0.22) | (0.60) | – | – |
| Series R | (0.22) | (0.60) | (2,100) | (7,372) |
| | | | (2,764) | (8,771) |

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

MACKENZIE CREDIT ABSOLUTE RETURN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

STATEMENTS OF CHANGES IN FINANCIAL POSITION

for the periods ended September 30 (in \$ 000 except per security amounts)

| | Total | | Series A | | Series CL | | Series F | | Series FB | |
|--|-----------------|----------------|-------------------|-------------|-------------------|---------------|-------------------|----------------|-------------------|----------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS | | | | | | | | | | |
| Beginning of period | 120,268 | 127,254 | 124 | 310 | 16,738 | 6,518 | 5,477 | 6,352 | 3 | 1 |
| Increase (decrease) in net assets from operations | (2,764) | (8,771) | (4) | (18) | (435) | (888) | (171) | (406) | – | – |
| Distributions paid to securityholders: | | | | | | | | | | |
| Investment income | (2,481) | (3,153) | (2) | (4) | (399) | (412) | (103) | (95) | – | – |
| Capital gains | – | – | – | – | – | – | – | – | – | – |
| Total distributions paid to securityholders | (2,481) | (3,153) | (2) | (4) | (399) | (412) | (103) | (95) | – | – |
| Security transactions: | | | | | | | | | | |
| Proceeds from securities issued | 835 | 11,713 | 9 | 39 | – | 11,042 | 510 | 226 | – | 2 |
| Reinvested distributions | 110 | 81 | 1 | 3 | – | – | 67 | 48 | – | – |
| Payments on redemption of securities | (16,075) | (1,561) | (23) | (119) | – | – | (828) | (1,320) | – | – |
| Total security transactions | (15,130) | 10,233 | (13) | (77) | – | 11,042 | (251) | (1,046) | – | 2 |
| Increase (decrease) in net assets attributable to securityholders | (20,375) | (1,691) | (19) | (99) | (834) | 9,742 | (525) | (1,547) | – | 2 |
| End of period | 99,893 | 125,563 | 105 | 211 | 15,904 | 16,260 | 4,952 | 4,805 | 3 | 3 |
| Increase (decrease) in fund securities (in thousands) (note 7): | | | Securities | | Securities | | Securities | | Securities | |
| Securities outstanding – beginning of period | | | 15 | 35 | 1,970 | 720 | 651 | 707 | – | – |
| Issued | | | 1 | 5 | – | 1,250 | 61 | 25 | – | – |
| Reinvested distributions | | | – | – | – | – | 8 | 6 | – | – |
| Redeemed | | | (3) | (14) | – | – | (101) | (152) | – | – |
| Securities outstanding – end of period | | | 13 | 26 | 1,970 | 1,970 | 619 | 586 | – | – |

| | Series O | | Series PW | | Series PWFB | | Series PWX | | Series R | |
|--|--------------|--------------|-------------------|------------|-------------------|----------|-------------------|----------|-------------------|----------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS | | | | | | | | | | |
| Beginning of period | 1,901 | 1,026 | 32 | 98 | 1 | 1 | 1 | 1 | 95,991 | 112,947 |
| Increase (decrease) in net assets from operations | (53) | (80) | (1) | (7) | – | – | – | – | (2,100) | (7,372) |
| Distributions paid to securityholders: | | | | | | | | | | |
| Investment income | (49) | (29) | (1) | (1) | – | – | – | – | (1,927) | (2,612) |
| Capital gains | – | – | – | – | – | – | – | – | – | – |
| Total distributions paid to securityholders | (49) | (29) | (1) | (1) | – | – | – | – | (1,927) | (2,612) |
| Security transactions: | | | | | | | | | | |
| Proceeds from securities issued | 315 | 402 | 1 | – | – | 2 | – | – | – | – |
| Reinvested distributions | 42 | 29 | – | 1 | – | – | – | – | – | – |
| Payments on redemption of securities | (98) | (120) | – | – | – | (2) | – | – | (15,126) | – |
| Total security transactions | 259 | 311 | 1 | 1 | – | – | – | – | (15,126) | – |
| Increase (decrease) in net assets attributable to securityholders | 157 | 202 | (1) | (7) | – | – | – | – | (19,153) | (9,984) |
| End of period | 2,058 | 1,228 | 31 | 91 | 1 | 1 | 1 | 1 | 76,838 | 102,963 |
| Increase (decrease) in fund securities (in thousands) (note 7): | | | Securities | | Securities | | Securities | | Securities | |
| Securities outstanding – beginning of period | 222 | 112 | 4 | 11 | – | – | – | – | 11,217 | 12,385 |
| Issued | 38 | 45 | – | – | – | – | – | – | – | – |
| Reinvested distributions | 5 | 3 | – | – | – | – | – | – | – | – |
| Redeemed | (12) | (12) | – | – | – | – | – | – | (1,767) | – |
| Securities outstanding – end of period | 253 | 148 | 4 | 11 | – | – | – | – | 9,450 | 12,385 |

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

MACKENZIE CREDIT ABSOLUTE RETURN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

STATEMENTS OF CASH FLOWS

for the periods ended September 30 (in \$ 000)

| | 2023 | 2022 |
|---|-----------------|-----------------|
| | \$ | \$ |
| Cash flows from operating activities | | |
| Net increase (decrease) in net assets attributable to securityholders from operations | (2,764) | (8,771) |
| Adjustments for: | | |
| Net realized loss (gain) on investments | 3,221 | 1,066 |
| Change in net unrealized loss (gain) on investments | 1,829 | 8,913 |
| Purchase of investments | (11,287) | (35,518) |
| Proceeds from sale and maturity of investments | 32,599 | 25,411 |
| (Increase) decrease in accounts receivable and other assets | (36) | (2,114) |
| Increase (decrease) in accounts payable and other liabilities | (12) | (36) |
| Net cash provided by (used in) operating activities | 23,550 | (11,049) |
| Cash flows from financing activities | | |
| Proceeds from securities issued | 834 | 11,732 |
| Payments on redemption of securities | (16,075) | (1,548) |
| Distributions paid net of reinvestments | (2,371) | (3,072) |
| Net cash provided by (used in) financing activities | (17,612) | 7,112 |
| Net increase (decrease) in cash and cash equivalents | 5,938 | (3,937) |
| Cash and cash equivalents at beginning of period | 21,270 | 27,420 |
| Effect of exchange rate fluctuations on cash and cash equivalents | 46 | 635 |
| Cash and cash equivalents at end of period | 27,254 | 24,118 |
| Cash | 4,227 | 7,894 |
| Cash equivalents | 23,027 | 16,224 |
| Cash and cash equivalents at end of period | 27,254 | 24,118 |
| Supplementary disclosures on cash flow from operating activities: | | |
| Dividends received | 49 | 62 |
| Dividends paid | 9 | 8 |
| Foreign taxes paid | 1 | 2 |
| Interest received | 3,351 | 3,044 |
| Interest paid | 97 | 169 |

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MACKENZIE CREDIT ABSOLUTE RETURN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

SCHEDULE OF INVESTMENTS

as at September 30, 2023

| | Country | Sector | Par Value/ Number of Shares/Units | Average Cost (\$ 000) | Fair Value (\$ 000) |
|--|----------------|-----------------------------|---|-----------------------------|---------------------------|
| LONG POSITIONS | | | | | |
| BONDS | | | | | |
| Acuris Finance US Inc. 5.00% 05-01-2028 144A | United States | Corporate - Non Convertible | USD 200,000 | 233 | 225 |
| AerCap Ireland Capital DAC 3.00% 10-29-2028 | Ireland | Corporate - Non Convertible | USD 102,000 | 117 | 119 |
| Algonquin Power & Utilities Corp. F/R 01-18-2082 | Canada | Corporate - Non Convertible | 1,018,000 | 999 | 809 |
| Allied Universal Holdco LLC 3.63% 06-01-2028 | United States | Corporate - Non Convertible | EUR 155,000 | 228 | 184 |
| AltaGas Ltd. F/R 01-11-2082 | Canada | Corporate - Non Convertible | 540,000 | 540 | 428 |
| AltaGas Ltd. F/R 08-17-2082 | Canada | Corporate - Non Convertible | 290,000 | 290 | 279 |
| Alice France SA 2.13% 02-15-2025 | France | Corporate - Non Convertible | EUR 400,000 | 605 | 543 |
| Alice France SA 5.13% 07-15-2029 | France | Corporate - Non Convertible | USD 400,000 | 473 | 386 |
| Alice International SARL 5.00% 01-15-2028 Callable 2023 144A | Luxembourg | Corporate - Non Convertible | USD 400,000 | 455 | 465 |
| Arcos Dorados BV 6.13% 05-27-2029 | Brazil | Corporate - Non Convertible | USD 300,000 | 377 | 389 |
| Arcos Dorados Holdings Inc. 5.88% 04-04-2027 | Brazil | Corporate - Non Convertible | USD 126,000 | 170 | 165 |
| ARD Finance SA 6.50% 06-30-2027 144A | Luxembourg | Corporate - Non Convertible | USD 250,000 | 339 | 256 |
| Ardagh Metal Packaging 4.00% 09-01-2029 144A | United States | Corporate - Non Convertible | USD 167,000 | 212 | 178 |
| Ardagh Packaging Finance PLC 5.25% 08-15-2027 144A | United States | Corporate - Non Convertible | USD 528,000 | 578 | 597 |
| Artis Real Estate Investment Trust 5.60% 04-29-2025 | Canada | Corporate - Non Convertible | 540,000 | 540 | 516 |
| Ashton Woods USA LLC 4.63% 08-01-2029 144A | United States | Corporate - Non Convertible | USD 434,000 | 548 | 499 |
| Atlantica Sustainable Infrastructure PLC 4.13% 06-15-2028 144A | Spain | Corporate - Non Convertible | USD 548,000 | 665 | 646 |
| AutoCanada Inc. 5.75% 02-07-2029 | Canada | Corporate - Non Convertible | 500,000 | 500 | 433 |
| Black Knight InfoServ LLC 3.63% 09-01-2028 Callable 2023 144A | United States | Corporate - Non Convertible | USD 209,000 | 280 | 256 |
| Broadcast Media Partners Holdings Inc. 4.50% 05-01-2029 | United States | Corporate - Non Convertible | USD 266,000 | 323 | 296 |
| Brookfield Residential Properties Inc. 5.13% 06-15-2029 | Canada | Corporate - Non Convertible | 441,000 | 441 | 364 |
| CAP SA 3.90% 04-27-2031 | Chile | Corporate - Non Convertible | USD 200,000 | 250 | 202 |
| Capital Power Corp. F/R 09-09-2082 | Canada | Corporate - Non Convertible | 426,000 | 426 | 409 |
| Carnival Corp. 9.88% 08-01-2027 144A | United States | Corporate - Non Convertible | USD 180,000 | 263 | 256 |
| Carriage Purchaser Inc. 7.88% 10-15-2029 144A | United States | Corporate - Non Convertible | USD 284,000 | 355 | 293 |
| Cascades Inc. 5.13% 01-15-2025 | Canada | Corporate - Non Convertible | 10,000 | 10 | 10 |
| Cascades Inc. 5.13% 01-15-2026 Callable 2023 144A | Canada | Corporate - Non Convertible | USD 490,000 | 654 | 640 |
| CCO Holdings LLC 4.25% 02-01-2031 Callable 2025 144A | United States | Corporate - Non Convertible | USD 268,000 | 290 | 290 |
| CIFI Holdings Group Co. Ltd. 6.00% 07-16-2025 | China | Corporate - Non Convertible | USD 303,000 | 97 | 29 |
| Clearway Energy Group LLC 3.75% 02-15-2031 144A | United States | Corporate - Non Convertible | USD 110,000 | 130 | 118 |
| Clearway Energy LLC 3.75% 01-15-2032 144A | United States | Corporate - Non Convertible | USD 230,000 | 291 | 243 |
| Clydesdale Acquisition Holdings Inc. 8.75% 04-15-2030 144A | United States | Corporate - Non Convertible | USD 259,000 | 304 | 302 |
| Cogent Communications Group Inc. 7.00% 06-15-2027 144A | United States | Corporate - Non Convertible | USD 203,000 | 256 | 263 |
| Coinbase Global Inc. 3.63% 10-01-2031 144A | United States | Corporate - Non Convertible | USD 491,000 | 389 | 445 |
| Cologix Data Centers Issuer LLC 4.94% 01-25-2052 | Canada | Mortgage Backed | 540,000 | 540 | 486 |
| Cologix Data Centers Issuer LLC 5.68% 01-25-2052 | Canada | Mortgage Backed | 430,000 | 430 | 384 |
| Columbia Care Inc. 6.00% 06-29-2025 Conv. | Canada | Corporate - Convertible | USD 451,000 | 555 | 474 |
| Columbia Care Inc. 9.50% 02-03-2026 | Canada | Corporate - Non Convertible | USD 470,000 | 592 | 549 |
| CommScope Inc. 4.75% 09-01-2029 144A | United States | Corporate - Non Convertible | USD 209,000 | 261 | 208 |
| CommScope Technologies Finance LLC 8.25% 03-01-2027 144A | United States | Corporate - Non Convertible | USD 393,000 | 526 | 351 |
| Condor Merger Sub Inc. 7.38% 02-15-2030 144A | United States | Corporate - Non Convertible | USD 308,000 | 391 | 351 |
| Connect Finco SARL 6.75% 10-01-2026 | United Kingdom | Corporate - Non Convertible | USD 300,000 | 406 | 381 |
| Corus Entertainment Inc. 5.00% 05-11-2028 | Canada | Corporate - Non Convertible | 650,000 | 650 | 438 |
| Country Garden Holdings Co. Ltd. 2.70% 07-12-2026 | China | Corporate - Non Convertible | USD 600,000 | 515 | 55 |
| Country Garden Holdings Co. Ltd. 5.63% 01-14-2030 | China | Corporate - Non Convertible | USD 573,000 | 398 | 50 |
| Covert Mergeco Inc. 4.88% 12-01-2029 144A | United States | Corporate - Non Convertible | USD 52,000 | 61 | 58 |
| Crocs Inc. 4.13% 08-15-2031 144A | United States | Corporate - Non Convertible | USD 30,000 | 38 | 32 |
| Crocs Inc. 4.25% 03-15-2029 144A | United States | Corporate - Non Convertible | USD 160,000 | 208 | 180 |
| Crown Americas LLC 5.25% 04-01-2030 | United States | Corporate - Non Convertible | USD 410,000 | 525 | 516 |
| CSC Holdings LLC 4.63% 12-01-2030 144A | United States | Corporate - Non Convertible | USD 340,000 | 444 | 246 |
| CSC Holdings LLC 5.75% 01-15-2030 | United States | Corporate - Non Convertible | USD 170,000 | 215 | 129 |
| CSC Holdings LLC 6.50% 02-01-2029 Callable 2024 144A | United States | Corporate - Non Convertible | USD 250,000 | 349 | 282 |
| Curaleaf Holdings Inc. 8.00% 12-15-2026 | United States | Corporate - Non Convertible | USD 310,000 | 397 | 348 |
| Diamond Sports Group LLC 5.38% 08-15-2026 144A | United States | Corporate - Non Convertible | USD 652,000 | 668 | 22 |
| Diamond Sports Group LLC 6.63% 08-15-2027 144A | United States | Corporate - Non Convertible | USD 334,000 | 242 | 10 |
| DISH DBS Corp. 5.25% 12-01-2026 144A | United States | Corporate - Non Convertible | USD 169,000 | 183 | 195 |
| DISH Network Corp. 11.75% 11-15-2027 144A | United States | Corporate - Non Convertible | USD 135,000 | 177 | 185 |
| Domtar Corp. 6.75% 10-01-2028 144A | United States | Corporate - Non Convertible | USD 645,000 | 820 | 726 |
| Ecopetrol SA 4.63% 11-02-2031 | Colombia | Corporate - Non Convertible | USD 273,000 | 324 | 284 |
| Eldorado Gold Corp. 6.25% 09-01-2029 144A | Turkey | Corporate - Non Convertible | USD 126,000 | 157 | 148 |
| Embecta Corp. 5.00% 02-15-2030 144A | United States | Corporate - Non Convertible | USD 231,000 | 284 | 247 |
| Emera Inc. F/R 06-15-2076 Callable 2026 | Canada | Corporate - Non Convertible | USD 256,000 | 337 | 335 |

MACKENZIE CREDIT ABSOLUTE RETURN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

SCHEDULE OF INVESTMENTS (cont'd)

as at September 30, 2023

| | Country | Sector | Par Value/ Number of Shares/Units | Average Cost (\$ 000) | Fair Value (\$ 000) |
|---|----------------|-----------------------------|---|-----------------------------|---------------------------|
| LONG POSITIONS (cont'd) | | | | | |
| BONDS (cont'd) | | | | | |
| Enbridge Inc. 5.37% 09-27-2077 Callable 2027 | Canada | Corporate - Non Convertible | 2,088,000 | 2,119 | 1,882 |
| Enel SpA 2.25% 07-12-2031 144A | Italy | Corporate - Non Convertible | USD 280,000 | 295 | 288 |
| Ensign Drilling Inc. 9.25% 04-15-2024 144A | Canada | Corporate - Non Convertible | USD 378,000 | 460 | 512 |
| Expedia Group Inc. 2.95% 03-15-2031 | United States | Corporate - Non Convertible | USD 177,000 | 188 | 194 |
| FAGE International SA 5.63% 08-15-2026 144A | Luxembourg | Corporate - Non Convertible | USD 200,000 | 262 | 263 |
| Fairfax India Holdings Corp. 5.00% 02-26-2028 144A | India | Corporate - Non Convertible | USD 290,000 | 363 | 339 |
| Ford Credit Canada Co. 2.96% 09-16-2026 | United States | Corporate - Non Convertible | 990,000 | 990 | 886 |
| Ford Motor Co. 3.25% 02-12-2032 | United States | Corporate - Non Convertible | USD 203,000 | 210 | 212 |
| Ford Motor Credit Co. LLC 2.70% 08-10-2026 | United States | Corporate - Non Convertible | USD 289,000 | 349 | 350 |
| Frontier Communications Corp. 5.88% 10-15-2027 144A | United States | Corporate - Non Convertible | USD 67,000 | 89 | 83 |
| Frontier Communications Corp. 6.75% 05-01-2029 144A | United States | Corporate - Non Convertible | USD 109,000 | 128 | 114 |
| Gibson Energy Inc. F/R 12-22-2080 | Canada | Corporate - Non Convertible | 727,000 | 730 | 593 |
| Go Daddy Operating Co. LLC 3.50% 03-01-2029 144A | United States | Corporate - Non Convertible | USD 342,000 | 429 | 391 |
| Gray Escrow Inc. 7.00% 05-15-2027 144A | United States | Corporate - Non Convertible | USD 242,000 | 295 | 282 |
| Gray Television Inc. 5.38% 11-15-2031 144A | United States | Corporate - Non Convertible | USD 1,380,000 | 1,752 | 1,225 |
| Greenfire Resources Inc. 12.00% 10-01-2028 144A | Canada | Corporate - Non Convertible | USD 120,000 | 159 | 161 |
| Gulfport Energy Corp. 8.00% 05-17-2026 144A | United States | Corporate - Non Convertible | USD 142,000 | 187 | 193 |
| Heartland Dental LLC 10.50% 04-30-2028 144A | United States | Corporate - Non Convertible | USD 120,000 | 161 | 164 |
| Hilton Domestic Operating Co. Inc. 4.88% 01-15-2030 Callable 2025 | United States | Corporate - Non Convertible | USD 177,000 | 215 | 219 |
| Innovative Industrial Properties Inc. 5.50% 05-25-2026 | United States | Corporate - Non Convertible | USD 284,000 | 344 | 346 |
| Inter Pipeline Ltd. F/R 11-19-2079 Callable 2029 | Canada | Corporate - Non Convertible | 1,140,000 | 1,102 | 1,028 |
| Iris Merger Sub 2019 Inc. 9.38% 02-15-2028 Callable 2023 144A | United States | Corporate - Non Convertible | USD 369,000 | 517 | 482 |
| Iron Mountain Inc. 5.00% 07-15-2028 Callable 2023 144A | United States | Corporate - Non Convertible | USD 209,000 | 286 | 259 |
| Iron Mountain Inc. 5.25% 07-15-2030 Callable 2025 144A | United States | Corporate - Non Convertible | USD 105,000 | 146 | 125 |
| Jaguar Land Rover Automotive PLC 4.50% 10-01-2027 144A | United Kingdom | Corporate - Non Convertible | USD 200,000 | 214 | 236 |
| Jazz Pharmaceuticals PLC 4.38% 01-15-2029 | United States | Corporate - Non Convertible | USD 300,000 | 375 | 357 |
| Kaisa Group Holdings 10.50% 10-27-2023 | China | Corporate - Non Convertible | USD 100,000 | 63 | 8 |
| Kaisa Group Holdings 8.65% 10-27-2023 | China | Corporate - Non Convertible | USD 400,000 | 181 | 32 |
| Kaisa Group Holdings Ltd. 9.38% 06-30-2024 | China | Corporate - Non Convertible | USD 200,000 | 193 | 16 |
| Keyera Corp. F/R 03-10-2081 | Canada | Corporate - Non Convertible | 701,000 | 694 | 597 |
| Keyera Corp. F/R 06-13-2079 Callable 2029 | Canada | Corporate - Non Convertible | 895,000 | 918 | 831 |
| Kleopatra Finco SARL 4.25% 03-01-2026 | Luxembourg | Corporate - Non Convertible | EUR 321,000 | 388 | 387 |
| Kleopatra Holdings 2 SCA 6.50% 09-01-2026 | Luxembourg | Corporate - Non Convertible | EUR 400,000 | 517 | 357 |
| Kronos Acquisition Holdings Inc. 5.00% 12-31-2026 144A | United States | Corporate - Non Convertible | USD 176,000 | 218 | 217 |
| Kruger Products LP 5.38% 04-09-2029 | Canada | Corporate - Non Convertible | 847,000 | 846 | 726 |
| Kruger Products LP 6.00% 04-24-2025 | Canada | Corporate - Non Convertible | 27,000 | 26 | 26 |
| L Brands Inc. 6.63% 10-01-2030 | United States | Corporate - Non Convertible | USD 182,000 | 236 | 234 |
| LABL Escrow Issuer LLC 10.50% 07-15-2027 144A | United States | Corporate - Non Convertible | USD 421,000 | 608 | 537 |
| LABL Escrow Issuer LLC 6.75% 07-15-2026 144A | United States | Corporate - Non Convertible | USD 418,000 | 590 | 550 |
| LABL Inc. 8.25% 11-01-2029 144A | United States | Corporate - Non Convertible | USD 488,000 | 560 | 542 |
| Laurentian Bank of Canada F/R 06-15-2081 | Canada | Corporate - Non Convertible | 630,000 | 631 | 480 |
| Level 3 Financing Inc. 3.75% 07-15-2029 144A | United States | Corporate - Non Convertible | USD 92,000 | 118 | 70 |
| Logan Group Co. Ltd. 4.70% 07-06-2026 | China | Corporate - Non Convertible | USD 1,036,000 | 844 | 102 |
| Manulife Financial Corp. F/R 06-19-2082 | Canada | Corporate - Non Convertible | 213,000 | 212 | 205 |
| MARB BondCo. PLC 3.95% 01-29-2031 | Brazil | Corporate - Non Convertible | USD 200,000 | 205 | 202 |
| Marriott International Inc. 4.90% 04-15-2029 | United States | Corporate - Non Convertible | USD 99,000 | 134 | 128 |
| Mattamy Group Corp. 4.63% 03-01-2030 Callable 2025 144A | Canada | Corporate - Non Convertible | USD 601,000 | 669 | 695 |
| Mattel Inc. 3.38% 04-01-2026 144A | United States | Corporate - Non Convertible | USD 294,000 | 372 | 370 |
| Mattel Inc. 3.75% 04-01-2029 144A | United States | Corporate - Non Convertible | USD 100,000 | 120 | 118 |
| Mauser Packaging Solutions Holding Co. 7.88% 08-15-2026 144A | United States | Corporate - Non Convertible | USD 199,000 | 266 | 261 |
| Mauser Packaging Solutions Holding Co. 9.25% 04-15-2027 144A | United States | Corporate - Non Convertible | USD 359,000 | 486 | 427 |
| Mav Acquisition Corp. 5.75% 08-01-2028 144A | United States | Corporate - Non Convertible | USD 560,000 | 704 | 660 |
| MEDNAX Inc. 5.38% 02-15-2030 144A | United States | Corporate - Non Convertible | USD 101,000 | 113 | 121 |
| MEG Energy Corp. 5.88% 02-01-2029 144A | Canada | Corporate - Non Convertible | USD 568,000 | 724 | 721 |
| Mercer International Inc. F/R 02-01-2029 | Germany | Corporate - Non Convertible | USD 142,000 | 180 | 152 |
| Merck & Co. Inc. 5.13% 04-30-2031 | United States | Corporate - Non Convertible | USD 200,000 | 248 | 218 |
| Mexico Remittances Funding Fiduciary Estate Management SARL 4.88% 01-15-2028 | Mexico | Corporate - Non Convertible | USD 225,000 | 285 | 275 |
| Minerva Luxembourg SA 8.88% 09-13-2033 | Brazil | Corporate - Non Convertible | USD 200,000 | 273 | 270 |
| Minerva Merger Sub Inc. 6.50% 02-15-2030 144A | United States | Corporate - Non Convertible | USD 593,000 | 755 | 673 |
| Molina Healthcare Inc. 3.88% 05-15-2032 144A | United States | Corporate - Non Convertible | USD 100,000 | 124 | 109 |

MACKENZIE CREDIT ABSOLUTE RETURN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

SCHEDULE OF INVESTMENTS (cont'd)

as at September 30, 2023

| | Country | Sector | Par Value/ Number of Shares/Units | Average Cost (\$ 000) | Fair Value (\$ 000) |
|---|----------------|-----------------------------|---|-----------------------------|---------------------------|
| LONG POSITIONS (cont'd) | | | | | |
| BONDS (cont'd) | | | | | |
| Mozart Debt Merger Sub Inc. 3.88% 04-01-2029 144A | United States | Corporate - Non Convertible | USD 165,000 | 207 | 189 |
| Mozart Debt Merger Sub Inc. 5.25% 10-01-2029 144A | United States | Corporate - Non Convertible | USD 308,000 | 389 | 362 |
| Murphy Oil USA Inc. 3.75% 02-15-2031 144A | United States | Corporate - Non Convertible | USD 447,000 | 503 | 498 |
| Nabors Industries Ltd. 7.25% 01-15-2026 144A | United States | Corporate - Non Convertible | USD 73,000 | 84 | 96 |
| National Bank of Canada F/R 08-15-2081 | Canada | Corporate - Non Convertible | 450,000 | 451 | 334 |
| National Bank of Canada F/R 11-16-2082 | Canada | Corporate - Non Convertible | 160,000 | 164 | 155 |
| New Red Finance Inc. 4.00% 10-15-2030 | Canada | Corporate - Non Convertible | USD 727,000 | 957 | 821 |
| Northland Power Inc. F/R 06-30-2083 | Canada | Corporate - Non Convertible | 150,000 | 149 | 152 |
| NuVista Energy Ltd. 7.88% 07-23-2026 | Canada | Corporate - Non Convertible | 393,000 | 389 | 398 |
| Open Text Corp. 3.88% 12-01-2029 144A | Canada | Corporate - Non Convertible | USD 262,000 | 310 | 293 |
| Open Text Holdings Inc. 4.13% 12-01-2031 144A | Canada | Corporate - Non Convertible | USD 176,000 | 197 | 191 |
| Owens & Minor Inc. 6.63% 04-01-2030 | United States | Corporate - Non Convertible | USD 250,000 | 314 | 302 |
| Parkland Corp. of Canada 4.38% 03-26-2029 | Canada | Corporate - Non Convertible | 601,000 | 599 | 524 |
| Parkland Corp. of Canada 4.50% 10-01-2029 144A | Canada | Corporate - Non Convertible | USD 688,000 | 866 | 805 |
| Pattern Energy Operations LP 4.50% 08-15-2028 Callable 2023 144A | United States | Corporate - Non Convertible | USD 209,000 | 289 | 248 |
| Pembina Pipeline Corp. F/R 01-25-2081 | Canada | Corporate - Non Convertible | 1,178,000 | 1,178 | 950 |
| Perrigo Co. PLC 3.15% 06-15-2030 | United States | Corporate - Non Convertible | USD 101,000 | 116 | 118 |
| PharmaCann LLC 12.00% 06-30-2025 | United States | Corporate - Non Convertible | USD 282,000 | 337 | 365 |
| Pilgrim's Pride Corp. 3.50% 03-01-2032 144A | United States | Corporate - Non Convertible | USD 184,000 | 201 | 194 |
| Pilgrim's Pride Corp. 4.25% 04-15-2031 | United States | Corporate - Non Convertible | USD 146,000 | 171 | 166 |
| Rogers Communications Inc. F/R 03-15-2082 144A | Canada | Corporate - Non Convertible | USD 500,000 | 635 | 602 |
| Rogers Communications Inc. F/R 12-17-2081 | Canada | Corporate - Non Convertible | 669,000 | 669 | 606 |
| Sabre Global Inc. 8.63% 06-01-2027 | United States | Corporate - Non Convertible | USD 146,000 | 169 | 169 |
| Sealed Air Corp. 6.13% 02-01-2028 144A | United States | Corporate - Non Convertible | USD 50,000 | 68 | 66 |
| Seaspan Corp. 5.50% 08-01-2029 144A | Hong Kong | Corporate - Non Convertible | USD 189,000 | 235 | 206 |
| Secure Energy Services Inc. 7.25% 12-30-2026 | Canada | Corporate - Non Convertible | 1,046,000 | 1,057 | 1,034 |
| Sino-Ocean Group Holding Ltd. 4.75% 01-14-2030 | China | Corporate - Non Convertible | USD 250,000 | 81 | 18 |
| Sino-Ocean Group Holding Ltd. 4.75% 08-05-2029 | China | Corporate - Non Convertible | USD 1,002,000 | 477 | 53 |
| Sino-Ocean Group Holding Ltd. 5.95% 02-04-2027 | China | Corporate - Non Convertible | USD 200,000 | 62 | 11 |
| Source Energy Services Canada LP 10.50% 03-15-2025 | Canada | Corporate - Non Convertible | 444,632 | 251 | 384 |
| Square Inc. 2.75% 06-01-2026 144A | United States | Corporate - Non Convertible | USD 320,000 | 398 | 391 |
| Steel Dynamics Inc. 3.45% 04-15-2030 | United States | Corporate - Non Convertible | USD 160,000 | 197 | 188 |
| Sunac China Holdings Ltd. 5.95% 04-26-2024 | China | Corporate - Non Convertible | USD 200,000 | 73 | 36 |
| Sunac China Holdings Ltd. 6.50% 01-10-2025 | China | Corporate - Non Convertible | USD 468,000 | 139 | 84 |
| Superior Plus LP 4.25% 05-18-2028 144A | Canada | Corporate - Non Convertible | 584,000 | 581 | 518 |
| Superior Plus LP 4.50% 03-15-2029 144A | Canada | Corporate - Non Convertible | USD 409,000 | 520 | 484 |
| Tacora Resources Inc. 8.25% 05-15-2026 144A | Canada | Corporate - Non Convertible | USD 126,000 | 155 | 94 |
| Tamarack Valley Energy Ltd. 7.25% 05-10-2027 | Canada | Corporate - Non Convertible | 770,000 | 747 | 733 |
| TEGNA Inc. 4.63% 03-15-2028 Callable 2023 144A | United States | Corporate - Non Convertible | USD 209,000 | 278 | 246 |
| Tenet Healthcare 4.25% 06-01-2029 | United States | Corporate - Non Convertible | USD 343,000 | 414 | 402 |
| Tenet Healthcare Corp. 4.38% 01-15-2030 | United States | Corporate - Non Convertible | USD 320,000 | 402 | 374 |
| Teva Pharmaceutical Finance Netherlands III BV 5.13% 05-09-2029 | Israel | Corporate - Non Convertible | USD 627,000 | 775 | 773 |
| Teva Pharmaceutical Finance Netherlands III BV 8.13% 09-15-2031 | Israel | Corporate - Non Convertible | USD 200,000 | 272 | 281 |
| The Toronto-Dominion Bank F/R 01-31-2025 | Canada | Corporate - Non Convertible | 1,670,000 | 1,643 | 1,668 |
| Tourmaline Oil Corp. 2.53% 02-12-2029 | Canada | Corporate - Non Convertible | 180,000 | 157 | 154 |
| Trulieve Cannabis Corp. 8.00% 10-06-2026 | United States | Corporate - Non Convertible | USD 213,000 | 268 | 236 |
| Trulieve Cannabis Corp. 9.75% 06-18-2024 | United States | Corporate - Non Convertible | USD 116,000 | 160 | 155 |
| Uber Technologies Inc. 8.00% 11-01-2026 144A | United States | Corporate - Non Convertible | USD 410,000 | 570 | 564 |
| United States Treasury 0.50% 04-15-2024 Inflation Indexed | United States | Foreign Governments | USD 750,000 | 1,195 | 1,213 |
| UPC Broadband Finco BV 4.88% 07-15-2031 144A | Netherlands | Corporate - Non Convertible | USD 320,000 | 404 | 352 |
| US Foods Inc. 4.75% 02-15-2029 144A | United States | Corporate - Non Convertible | USD 146,000 | 181 | 178 |
| Vermilion Energy Inc. 6.88% 05-01-2030 144A | Canada | Corporate - Non Convertible | USD 862,000 | 1,084 | 1,113 |
| ViaSat Inc. 6.50% 07-15-2028 Callable 2023 144A | United States | Corporate - Non Convertible | USD 218,000 | 298 | 205 |
| Vidéotron Ltée 3.13% 01-15-2031 | Canada | Corporate - Non Convertible | 978,000 | 916 | 762 |
| Vidéotron Ltée 3.63% 06-15-2028 | Canada | Corporate - Non Convertible | 234,000 | 205 | 204 |
| Vidéotron Ltée 4.50% 01-15-2030 Callable 2024 | Canada | Corporate - Non Convertible | 920,000 | 924 | 803 |
| Virgin Media Secured Finance PLC 4.50% 08-15-2030 Callable 2025 144A | United Kingdom | Corporate - Non Convertible | USD 250,000 | 347 | 279 |
| VistaJet Malta Finance PLC 6.38% 02-01-2030 144A | Switzerland | Corporate - Non Convertible | USD 930,000 | 1,168 | 976 |
| VistaJet Malta Finance PLC 9.50% 06-01-2028 144A | Switzerland | Corporate - Non Convertible | USD 430,000 | 576 | 514 |
| Vmed O2 UK Financing I PLC 4.25% 01-31-2031 | United Kingdom | Corporate - Non Convertible | USD 600,000 | 793 | 651 |

MACKENZIE CREDIT ABSOLUTE RETURN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

SCHEDULE OF INVESTMENTS (cont'd)

as at September 30, 2023

| | Country | Sector | Par Value/ Number of Shares/Units | Average Cost (\$ 000) | Fair Value (\$ 000) |
|---|----------------|-----------------------------|---|-----------------------------|---------------------------|
| LONG POSITIONS (cont'd) | | | | | |
| BONDS (cont'd) | | | | | |
| VMED Q2 UK Financing I PLC 4.75% 07-15-2031 144A | United Kingdom | Corporate - Non Convertible | USD 130,000 | 160 | 143 |
| VZ Vendor Financing BV 2.88% 01-15-2029 | Netherlands | Corporate - Non Convertible | EUR 200,000 | 310 | 222 |
| Warnermedia Inc. Holdings 4.28% 03-15-2032 | United States | Corporate - Non Convertible | USD 80,000 | 91 | 92 |
| Weatherford International Ltd. 8.63% 04-30-2030 144A | United States | Corporate - Non Convertible | USD 976,000 | 1,246 | 1,334 |
| Wildbrain Ltd. 5.88% 09-30-2024 Conv. | Canada | Corporate - Convertible | 718,000 | 521 | 664 |
| Ziggo BV 4.88% 01-15-2030 Callable 2024 144A | Netherlands | Corporate - Non Convertible | USD 450,000 | 574 | 501 |
| Total bonds | | | | 79,504 | 69,601 |
| EQUITIES | | | | | |
| BCE Inc. Pfd. Series AA | Canada | Communication Services | 1,405 | 22 | 21 |
| BCE Inc. Pfd. Series AI | Canada | Communication Services | 1,986 | 37 | 28 |
| BCE Inc. Pfd. Series AL | Canada | Communication Services | 625 | 11 | 10 |
| BCE Inc. 4.54% Cum. Red. First Pfd. Series R Callable | Canada | Communication Services | 1,829 | 33 | 26 |
| Brookfield Asset Management Inc. Pfd. Series 46 | Canada | Real Estate | 789 | 20 | 14 |
| Brookfield Renewable Partners LP Pfd. Series 13 | Canada | Utilities | 617 | 15 | 11 |
| Cenovus Energy Inc. Pfd. Series 3 | Canada | Energy | 251 | 5 | 5 |
| Cenovus Energy Inc. Pfd. Series 7 | Canada | Energy | 2,088 | 42 | 39 |
| Emera Inc. Pfd. Series J | Canada | Utilities | 63 | 2 | 1 |
| Emera Inc. Pfd. Series L | Canada | Utilities | 11,495 | 287 | 189 |
| Fairfax Financial Holdings Ltd. Pfd. Series E | Canada | Financials | 276 | 5 | 4 |
| Loblaw Companies Ltd. 5.30% Cum. Red. 2nd Pfd. Series B | Canada | Consumer Staples | 3,010 | 78 | 62 |
| TransAlta Corp. Perp. Pfd. Series C | Canada | Utilities | 3,968 | 74 | 66 |
| TransAlta Corp. Pfd. Series A | Canada | Utilities | 1,449 | 20 | 17 |
| WeWork Inc. Class A | United States | Real Estate | 3,262 | 79 | 13 |
| Total equities | | | | 730 | 506 |
| OPTIONS | | | | | |
| Options purchased (see schedule of options purchased) | | | | 313 | 279 |
| Total options | | | | 313 | 279 |
| EXCHANGE-TRADED FUNDS/NOTES | | | | | |
| iShares iBoxx \$ Investment Grade Corporate Bond ETF | United States | Exchange-Traded Funds/Notes | 3,270 | 589 | 453 |
| Total exchange-traded funds/notes | | | | 589 | 453 |
| PRIVATE FUNDS | | | | | |
| ¹ Northleaf Private Credit II LP | Canada | Financials | 186 | 1,953 | 2,039 |
| ² Sagard Credit Partners II LP | Canada | Financials | 186 | 866 | 909 |
| Total private funds | | | | 2,819 | 2,948 |
| Total long positions | | | | 83,955 | 73,787 |
| SHORT POSITIONS | | | | | |
| BONDS | | | | | |
| Bombardier Inc. 6.00% 02-15-2028 144A | Canada | Corporate - Non Convertible | USD (279,000) | (347) | (344) |
| Bombardier Inc. 7.88% 04-15-2027 144A | Canada | Corporate - Non Convertible | USD (275,000) | (344) | (365) |
| Bread Financial Holdings Inc. 7.00% 01-15-2026 144A | United States | Corporate - Non Convertible | USD (160,000) | (198) | (205) |
| Coty Inc. 4.75% 01-15-2029 144A | United States | Corporate - Non Convertible | USD (160,000) | (207) | (196) |
| Credit Acceptance Corp. 6.63% 03-15-2026 | United States | Corporate - Non Convertible | USD (200,000) | (264) | (262) |
| Eco Material Technologies Inc. 7.88% 01-31-2027 144A | United States | Corporate - Non Convertible | USD (160,000) | (195) | (208) |
| Griffon Corp. 5.75% 03-01-2028 Callable 2023 | United States | Corporate - Non Convertible | USD (206,000) | (248) | (255) |
| Paramount Global 4.20% 05-19-2032 | United States | Corporate - Non Convertible | USD (80,000) | (90) | (86) |
| TRI Pointe Group Inc. 5.70% 06-15-2028 | United States | Corporate - Non Convertible | USD (200,000) | (274) | (252) |
| United States Steel Corp. 6.88% 03-01-2029 | United States | Corporate - Non Convertible | USD (160,000) | (209) | (214) |
| WR Grace Holdings LLC 5.63% 08-15-2029 144A | United States | Corporate - Non Convertible | USD (160,000) | (175) | (176) |
| Total bonds | | | | (2,551) | (2,563) |

MACKENZIE CREDIT ABSOLUTE RETURN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

SCHEDULE OF INVESTMENTS (cont'd)

as at September 30, 2023

| | Country | Sector | Par Value/ Number of Shares/Units | Average Cost (\$ 000) | Fair Value (\$ 000) |
|--|---------------|-----------------------------|---|-----------------------------|---------------------------|
| SHORT POSITIONS (cont'd) | | | | | |
| EXCHANGE-TRADED FUNDS/NOTES | | | | | |
| iShares iBoxx \$ High Yield Corporate Bond ETF | United States | Exchange-Traded Funds/Notes | (817) | (89) | (82) |
| SPDR Bloomberg Barclays Convertible Securities ETF | United States | Exchange-Traded Funds/Notes | (8,174) | (697) | (752) |
| Total exchange-traded funds/notes | | | | (786) | (834) |
| Total short positions | | | | (3,337) | (3,397) |
| Transaction costs | | | | (28) | – |
| Total investments | | | | 80,590 | 70,390 |
| Derivative instruments (see schedule of derivative instruments) | | | | | (288) |
| Cash and cash equivalents | | | | | 27,254 |
| Other assets less liabilities | | | | | 2,537 |
| Net assets attributable to securityholders | | | | | 99,893 |

¹ This fund is managed by Northleaf Capital Partners (Canada) Ltd., an affiliate of Mackenzie.

² This fund is managed by Sagard Holdings Inc., an affiliate of Mackenzie.

MACKENZIE CREDIT ABSOLUTE RETURN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

SUMMARY OF INVESTMENT PORTFOLIO

SEPTEMBER 30, 2023

| PORTFOLIO ALLOCATION | % OF NAV | | |
|-----------------------------|----------|-------|-------|
| | Long | Short | Net |
| Bonds | 82.1 | (2.5) | 79.6 |
| <i>Bonds</i> | 69.7 | (2.6) | 67.1 |
| <i>Futures</i> | 12.1 | 0.1 | 12.2 |
| <i>Purchased options</i> | 0.3 | – | 0.3 |
| Cash and cash equivalents | 14.9 | – | 14.9 |
| Private funds | 2.9 | – | 2.9 |
| Other assets (liabilities) | 2.4 | – | 2.4 |
| Equities | 0.5 | – | 0.5 |
| Swaps | – | – | – |
| Purchased swap options | – | – | – |
| Exchange-traded funds/notes | 0.5 | (0.8) | (0.3) |

| REGIONAL ALLOCATION | % OF NAV | | |
|----------------------------|----------|-------|------|
| | Long | Short | Net |
| United States | 39.1 | (2.7) | 36.4 |
| Canada | 30.0 | (0.7) | 29.3 |
| Cash and cash equivalents | 14.9 | – | 14.9 |
| Australia | 4.7 | – | 4.7 |
| Other assets (liabilities) | 2.4 | – | 2.4 |
| United Kingdom | 1.7 | – | 1.7 |
| Luxembourg | 1.7 | – | 1.7 |
| Switzerland | 1.5 | – | 1.5 |
| Other | 1.2 | 0.1 | 1.3 |
| Israel | 1.1 | – | 1.1 |
| Netherlands | 1.1 | – | 1.1 |
| Brazil | 1.0 | – | 1.0 |
| France | 0.9 | – | 0.9 |
| Spain | 0.6 | – | 0.6 |
| China | 0.5 | – | 0.5 |
| Italy | 0.3 | – | 0.3 |
| Mexico | 0.3 | – | 0.3 |
| India | 0.3 | – | 0.3 |

| SECTOR ALLOCATION | % OF NAV | | |
|-----------------------------|----------|-------|-------|
| | Long | Short | Net |
| Corporate bonds | 67.5 | (2.6) | 64.9 |
| Cash and cash equivalents | 14.9 | – | 14.9 |
| Foreign government bonds | 13.4 | 0.1 | 13.5 |
| Private funds | 2.9 | – | 2.9 |
| Other assets (liabilities) | 2.4 | – | 2.4 |
| Mortgage backed | 0.9 | – | 0.9 |
| Financials | 0.5 | – | 0.5 |
| Other | 0.3 | – | 0.3 |
| Exchange-traded funds/notes | 0.5 | (0.8) | (0.3) |

MARCH 31, 2023

| PORTFOLIO ALLOCATION | % OF NAV | | |
|---------------------------------|----------|-------|-------|
| | Long | Short | Net |
| Bonds | 87.6 | (2.5) | 85.1 |
| <i>Bonds</i> | 78.9 | (2.2) | 76.7 |
| <i>Futures</i> | 8.4 | (0.2) | 8.2 |
| <i>Purchased options</i> | 0.3 | – | 0.3 |
| <i>Written options</i> | – | (0.1) | (0.1) |
| Cash and short-term investments | 9.6 | – | 9.6 |
| Equities | 0.5 | – | 0.5 |
| <i>Equities</i> | 0.5 | – | 0.5 |
| <i>Purchased options</i> | – | – | – |
| Other assets (liabilities) | 2.8 | – | 2.8 |
| Private funds | 2.4 | – | 2.4 |
| Swaps | (0.1) | – | (0.1) |
| Exchange-traded funds/notes | 0.4 | (0.7) | (0.3) |

| REGIONAL ALLOCATION | % OF NAV | | |
|---------------------------------|----------|-------|------|
| | Long | Short | Net |
| United States | 39.0 | (2.3) | 36.7 |
| Canada | 36.3 | (0.7) | 35.6 |
| Cash and short-term investments | 9.6 | – | 9.6 |
| Australia | 4.5 | – | 4.5 |
| Other assets (liabilities) | 2.8 | – | 2.8 |
| China | 2.0 | – | 2.0 |
| Luxembourg | 1.6 | – | 1.6 |
| United Kingdom | 1.4 | – | 1.4 |
| Other | 1.4 | (0.2) | 1.2 |
| Netherlands | 0.9 | – | 0.9 |
| Switzerland | 0.9 | – | 0.9 |
| France | 0.8 | – | 0.8 |
| Spain | 0.6 | – | 0.6 |
| Brazil | 0.5 | – | 0.5 |
| Mexico | 0.4 | – | 0.4 |
| India | 0.3 | – | 0.3 |
| Finland | 0.2 | – | 0.2 |

| SECTOR ALLOCATION | % OF NAV | | |
|---------------------------------|----------|-------|-------|
| | Long | Short | Net |
| Corporate bonds | 74.0 | (2.2) | 71.8 |
| Cash and short-term investments | 9.6 | – | 9.6 |
| Bond futures | 8.4 | (0.2) | 8.2 |
| Foreign government bonds | 4.2 | – | 4.2 |
| Other assets (liabilities) | 2.8 | – | 2.8 |
| Private funds | 2.4 | – | 2.4 |
| Mortgage backed | 0.7 | – | 0.7 |
| Financials | 0.5 | – | 0.5 |
| Other | 0.2 | (0.1) | 0.1 |
| Exchange-traded funds/notes | 0.4 | (0.7) | (0.3) |

MACKENZIE CREDIT ABSOLUTE RETURN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

SCHEDULE OF OPTIONS PURCHASED

as at September 30, 2023

| Underlying Interest | Number of Contracts | Option Type | Expiration Date | Strike Price \$ | Premium Paid (\$ 000) | Fair Value (\$ 000) |
|---|---------------------|-------------|-----------------|-----------------|-----------------------|---------------------|
| iShares iBoxx \$ High Yield Corporate Bond ETF | 3,000 | Put | Nov. 17, 2023 | USD 73.00 | 305 | 277 |
| Markit North American Investment Grade CDX Index | 2,327,000 | Put | Dec. 20, 2023 | USD 100.00 | 8 | 2 |
| Total options | | | | | 313 | 279 |

MACKENZIE CREDIT ABSOLUTE RETURN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

SCHEDULE OF DERIVATIVE INSTRUMENTS

as at September 30, 2023

Schedule of Swap Contracts

| Counterparty Credit Rating | Number of Contracts | Maturity | Fund Pays Return On | Fund Receives Return On | Notional Value (\$ 000) | Unrealized Gains (\$ 000) | Unrealized Losses (\$ 000) |
|-------------------------------|------------------------|---------------|---------------------------------|---|-------------------------------|---------------------------------|----------------------------------|
| A | 244,363 | Oct. 25, 2023 | CAD-CORRA 1 day rate plus 0.61% | Mackenzie Emerging Markets Local Currency Bond Index ETF | 18,828 | – | – |
| Total swap contracts | | | | | 18,828 | – | – |

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) |
|---|------------------------|--------------------|--------------------------------------|--------------------------------|---------------------------------|----------------------------------|
| Euro-Bund Futures December 2023 | (4) | Dec. 7, 2023 | 128.64 EUR | (739) | – | – |
| mini-10 year JGB Futures December 2023 | (7) | Dec. 12, 2023 | 145.94 JPY | (922) | 6 | – |
| 10 Year Japanese Government Bond Futures December 2023 | (5) | Dec. 13, 2023 | 146.28 JPY | (6,584) | 60 | – |
| 10 Year Australian Treasury Note Futures December 2023 | 49 | Dec. 15, 2023 | 113.65 AUD | 4,791 | – | (107) |
| Ultra 10 Year United States Treasury Note Futures December 2023 | 19 | Dec. 19, 2023 | 115.83 USD | 2,877 | – | (113) |
| 5 Year United States Treasury Note Futures December 2023 | 33 | Dec. 29, 2023 | 106.22 USD | 4,720 | – | (38) |
| Total futures contracts | | | | 4,143 | 66 | (258) |

* Notional value represents the exposure to the underlying instruments as at September 30, 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 | 494 CAD | (363) USD | Oct. 3, 2023 | (494) | (493) | 1 | – |
| A | 363 USD | (497) CAD | Oct. 3, 2023 | 497 | 493 | – | (4) |
| A | 62 USD | (130) AUD | Oct. 3, 2023 | (84) | (83) | 1 | – |
| A | 130 AUD | (62) USD | Oct. 3, 2023 | 84 | 84 | – | – |
| A | 148 CAD | (80) USD | Oct. 3, 2023 | (109) | (110) | – | (1) |
| A | 80 USD | (148) CAD | Oct. 3, 2023 | 109 | 110 | 1 | – |
| A | 165 USD | (197) CHF | Oct. 3, 2023 | (224) | (213) | 11 | – |
| A | 197 CHF | (158) USD | Oct. 3, 2023 | 215 | 215 | – | – |
| A | 70 USD | (87) EUR | Oct. 3, 2023 | (95) | (92) | 3 | – |
| A | 87 EUR | (68) USD | Oct. 3, 2023 | 92 | 92 | – | – |
| A | 663 GBP | (619) USD | Oct. 3, 2023 | 840 | 798 | – | (42) |
| A | 596 USD | (663) GBP | Oct. 3, 2023 | (809) | (809) | – | – |
| A | 835 USD | (164,400) JPY | Oct. 3, 2023 | (1,134) | (1,089) | 45 | – |
| A | 164,400 JPY | (812) USD | Oct. 3, 2023 | 1,102 | 1,101 | – | (1) |
| A | 353 USD | (5,090) NOK | Oct. 3, 2023 | (479) | (475) | 4 | – |
| A | 5,090 NOK | (352) USD | Oct. 3, 2023 | 478 | 475 | – | (3) |
| A | 610 NZD | (267) USD | Oct. 3, 2023 | 363 | 366 | 3 | – |
| A | 270 USD | (610) NZD | Oct. 3, 2023 | (367) | (366) | 1 | – |
| A | 910 SEK | (61) USD | Oct. 3, 2023 | 83 | 83 | – | – |
| A | 62 USD | (910) SEK | Oct. 3, 2023 | (84) | (83) | 1 | – |
| A | 1,775 CAD | (1,339) USD | Oct. 19, 2023 | (1,775) | (1,817) | – | (42) |
| A | 1,339 USD | (1,832) CAD | Oct. 19, 2023 | 1,832 | 1,818 | – | (14) |
| A | 17 USD | (110) BRL | Oct. 19, 2023 | (23) | (22) | 1 | – |
| A | 9 USD | (10,000) CLP | Oct. 19, 2023 | (12) | (11) | 1 | – |
| A | 14 USD | (7,000) HUF | Oct. 19, 2023 | (19) | (18) | 1 | – |
| A | 230 PEN | (46) USD | Oct. 19, 2023 | 63 | 60 | – | (3) |
| A | 21 USD | (120) PLN | Oct. 19, 2023 | (29) | (26) | 3 | – |
| A | 1,100 THB | (24) USD | Oct. 19, 2023 | 32 | 29 | – | (3) |
| A | 18 USD | (440) ZAR | Oct. 19, 2023 | (24) | (23) | 1 | – |
| AA | 1,589 CAD | (1,076) EUR | Oct. 20, 2023 | (1,589) | (1,545) | 44 | – |

MACKENZIE CREDIT ABSOLUTE RETURN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

SCHEDULE OF DERIVATIVE INSTRUMENTS (cont'd)

as at September 30, 2023

Schedule of Forward Currency Contracts (cont'd)

| 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 | 1,200 USD | (1,574) CAD | Oct. 20, 2023 | 1,574 | 1,629 | 55 | – |
| A | 79 CAD | (60) USD | Oct. 20, 2023 | (79) | (82) | – | (3) |
| A | 1,342 CAD | (1,019) USD | Oct. 27, 2023 | (1,342) | (1,383) | – | (41) |
| A | 1,572 CAD | (1,193) USD | Oct. 27, 2023 | (1,572) | (1,620) | – | (48) |
| AA | 147 CAD | (110) USD | Oct. 27, 2023 | (147) | (149) | – | (2) |
| A | 4,161 CAD | (3,060) USD | Nov. 3, 2023 | (4,161) | (4,154) | 7 | – |
| AA | 1,500 USD | (2,032) CAD | Nov. 3, 2023 | 2,032 | 2,036 | 4 | – |
| AA | 283 CAD | (210) USD | Nov. 3, 2023 | (283) | (285) | – | (2) |
| A | 136 CAD | (100) USD | Nov. 3, 2023 | (136) | (136) | – | – |
| AA | 35 USD | (47) CAD | Nov. 3, 2023 | 47 | 47 | – | – |
| A | 633 AUD | (301) USD | Nov. 3, 2023 | 409 | 407 | – | (2) |
| A | 43 USD | (79) CAD | Nov. 3, 2023 | 58 | 58 | – | – |
| A | 1,178 USD | (1,458) CHF | Nov. 3, 2023 | (1,599) | (1,599) | – | – |
| A | 17 EUR | (13) USD | Nov. 3, 2023 | 18 | 18 | – | – |
| A | 842 GBP | (757) USD | Nov. 3, 2023 | 1,028 | 1,028 | – | – |
| A | 5,810 NOK | (402) USD | Nov. 3, 2023 | 546 | 542 | – | (4) |
| A | 1,427 NZD | (631) USD | Nov. 3, 2023 | 857 | 854 | – | (3) |
| A | 534 USD | (7,870) SEK | Nov. 3, 2023 | (725) | (720) | 5 | – |
| A | 580 USD | (116,800) JPY | Nov. 6, 2023 | (787) | (787) | – | – |
| AA | 43,788 CAD | (32,327) USD | Nov. 9, 2023 | (43,788) | (43,880) | – | (92) |
| AA | 259 CAD | (191) USD | Nov. 9, 2023 | (259) | (260) | – | (1) |
| A | 2,283 CAD | (1,702) USD | Nov. 9, 2023 | (2,283) | (2,310) | – | (27) |
| A | 1,702 USD | (2,328) CAD | Nov. 9, 2023 | 2,328 | 2,311 | – | (17) |
| A | 577 CAD | (425) USD | Jan. 12, 2024 | (577) | (576) | 1 | – |
| A | 136 CAD | (100) USD | Jan. 12, 2024 | (136) | (136) | – | – |
| A | 35 USD | (48) CAD | Jan. 12, 2024 | 48 | 48 | – | – |
| AA | 162 CAD | (120) USD | Jan. 19, 2024 | (162) | (163) | – | (1) |
| AA | 417 CAD | (310) USD | Jan. 19, 2024 | (417) | (420) | – | (3) |
| A | 140 CAD | (98) EUR | Jan. 26, 2024 | (140) | (140) | – | – |
| A | 3,090 USD | (32,578) HKD | Apr. 19, 2024 | (4,194) | (4,171) | 23 | – |
| A | 6,178 USD | (65,155) HKD | Apr. 19, 2024 | (8,387) | (8,341) | 46 | – |
| Total forward currency contracts | | | | | | 263 | (359) |
| Total Derivative assets | | | | | | | 329 |
| Total Derivative liabilities | | | | | | | (617) |

MACKENZIE CREDIT ABSOLUTE RETURN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

NOTES TO FINANCIAL STATEMENTS

1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the six-month periods ended or as at September 30, 2023 and 2022, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 2023, 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 unaudited interim financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including international Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). These financial statements were prepared using the same accounting policies, critical accounting judgements and estimates as applied in the Fund's most recent audited annual financial statements for the year ended March 31, 2023. 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 November 13, 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 ("Underlying Funds") and Exchange-Traded Funds ("ETFs"), if any, at FVTPL. For private funds, the Manager 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 investment in Underlying Funds and ETFs, if any, is presented in the Schedule of Investments at fair value which represents the Fund's maximum exposure on these investments.

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 CREDIT ABSOLUTE RETURN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 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 September 30, 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.

MACKENZIE CREDIT ABSOLUTE RETURN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(c) Income and expense recognition

Interest income and interest expense for distribution purposes represents the coupon interest received or paid 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. Dividend income and expense is recognized as of the ex-dividend date. Dividends and interest paid on the short selling of equity and bond securities are included in the Statement of Comprehensive Income – Dividends and Interest Income, respectively. 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, expense, realized gains (losses) on sale of investments or fee rebate income, as appropriate, on the ex-dividend or distribution date.

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 is 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.

MACKENZIE CREDIT ABSOLUTE RETURN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(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) Short selling and borrowing fees

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

(m) 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.

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 Underlying Fund or an ETF in which the Fund invests, 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 objectives 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.

MACKENZIE CREDIT ABSOLUTE RETURN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

NOTES TO FINANCIAL STATEMENTS

5. Income Taxes (cont'd)

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

Other fund costs include taxes (including, but not limited to GST/HST and income tax), interest and borrowing costs, all fees and expenses of the Mackenzie Funds' Independent Review Committee (IRC), costs of complying with the regulatory requirement to produce Fund Facts, fees paid to external service providers associated with tax reclaims, refunds or the preparation of foreign tax reports on behalf of the Funds, new fees related to external services that were not commonly charged in the Canadian mutual fund industry and introduced after the date of the most recently filed simplified prospectus, and the costs of complying with any new regulatory requirements, including, without limitation, any new fees introduced after the date of the most recently filed simplified prospectus.

Mackenzie may waive or absorb management fees and/or Administration Fees at its discretion and stop waiving or absorbing such fees at any time without notice. Refer to Note 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 September 30, 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 September 30, 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 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.

MACKENZIE CREDIT ABSOLUTE RETURN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

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 and securities sold short, the maximum risk resulting from financial instruments is equivalent to their fair value. The maximum risk of loss on certain derivative contracts such as forwards, swaps, and futures contracts is equal to their notional values. In the case of written call (put) options and short futures contracts, the loss to the Fund continues to increase, 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. In the case of securities sold short, the loss to the Fund continues to increase, without limit, as the fair value of the underlying interest increases. This risk is mitigated by placing limitations on the Fund's ability to sell securities short, which are outlined in Note 3(l).

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.

MACKENZIE CREDIT ABSOLUTE RETURN FUND

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NOTES TO FINANCIAL STATEMENTS

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 | | |

MACKENZIE CREDIT ABSOLUTE RETURN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

NOTES TO FINANCIAL STATEMENTS

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

(a) Fund Formation and Series Information

Date of Formation: January 31, 2019

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

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

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

Series CL securities are offered exclusively to mutual funds and segregated funds managed by The Canada Life Assurance Company and its subsidiaries.

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

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

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

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

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

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

Series R securities are offered only to other funds managed by Mackenzie on a non-prospectus basis in connection with fund-of-fund arrangements.

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

| Series | Inception/ Reinstatement Date | Management Fee | Administration Fee |
|-------------|----------------------------------|------------------|--------------------|
| Series A | February 26, 2019 | 1.35% | 0.24% |
| Series CL | February 10, 2021 | n/a | n/a |
| Series F | February 26, 2019 | 0.75% | 0.15% |
| Series FB | February 26, 2019 | 0.85% | 0.24% |
| Series O | February 26, 2019 | — ⁽¹⁾ | n/a |
| Series PW | February 26, 2019 | 1.25% | 0.15% |
| Series PWFB | February 26, 2019 | 0.75% | 0.15% |
| Series PWX | February 26, 2019 | — ⁽²⁾ | — ⁽²⁾ |
| Series R | February 26, 2019 | n/a | n/a |

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

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

(b) Tax Loss Carryforwards

Expiration Date of Non-Capital Losses

| Total Capital Loss \$ | Total Non-Capital Loss \$ | 2029 \$ | 2030 \$ | 2031 \$ | 2032 \$ | 2033 \$ | 2034 \$ | 2035 \$ | 2036 \$ | 2037 \$ | 2038 \$ | 2039 \$ | 2040 \$ | 2041 \$ | 2042 \$ |
|-----------------------------|---------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 11,746 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |

(c) Securities Lending

As at September 30, 2023 and March 31, 2023, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.

(d) Commissions

| | (\$) |
|--------------------|------|
| September 30, 2023 | — |
| September 30, 2022 | — |

MACKENZIE CREDIT ABSOLUTE RETURN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

NOTES TO FINANCIAL STATEMENTS

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

(e) Risks Associated with Financial Instruments

i. Risk exposure and management

The Fund seeks a positive total return over a market cycle, regardless of general market direction, by employing a variety of fundamentally driven and systematically driven investment strategies. The Fund will invest in long and short positions in fixed income securities and instruments of issuers anywhere in the world. The Fund may also engage in physical short sales, borrowing and/or derivatives.

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

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

ii. Currency risk

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

| Currency | September 30, 2023 | | | | Impact on net assets | | | |
|---------------------------------|---------------------|---|-----------------------------------|-----------------------|----------------------|---|----------------|---|
| | Investments (\$) | Cash and Short-Term Investments (\$) | Derivative Instruments (\$) | Net Exposure* (\$) | Strengthened by 5% | | Weakened by 5% | |
| | | | | | (\$) | % | (\$) | % |
| USD | 46,351 | 3,469 | (36,799) | 13,021 | | | | |
| GBP | – | – | 1,017 | 1,017 | | | | |
| NZD | – | – | 854 | 854 | | | | |
| NOK | – | – | 542 | 542 | | | | |
| EUR | 1,693 | 349 | (1,667) | 375 | | | | |
| AUD | – | 68 | 301 | 369 | | | | |
| PEN | – | – | 60 | 60 | | | | |
| THB | – | – | 29 | 29 | | | | |
| CLP | – | – | (11) | (11) | | | | |
| HUF | – | – | (18) | (18) | | | | |
| BRL | – | – | (22) | (22) | | | | |
| ZAR | – | – | (23) | (23) | | | | |
| PLN | – | – | (26) | (26) | | | | |
| SEK | – | – | (720) | (720) | | | | |
| JPY | – | (39) | (709) | (748) | | | | |
| CHF | – | – | (1,597) | (1,597) | | | | |
| HKD | – | – | (12,512) | (12,512) | | | | |
| Total | 48,044 | 3,847 | (51,301) | 590 | | | | |
| % of Net Assets | 48.1 | 3.9 | (51.4) | 0.6 | | | | |
| Total currency rate sensitivity | | | | | (30) | – | 30 | – |

MACKENZIE CREDIT ABSOLUTE RETURN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

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 (cont'd)

| Currency | March 31, 2023 | | | | Impact on net assets | | | |
|---------------------------------|---------------------|---|-----------------------------------|-----------------------|----------------------|-------|----------------|-----|
| | Investments (\$) | Cash and Short-Term Investments (\$) | Derivative Instruments (\$) | Net Exposure* (\$) | Strengthened by 5% | | Weakened by 5% | |
| | | | | | (\$) | % | (\$) | % |
| USD | 63,865 | 8,370 | (60,057) | 12,178 | | | | |
| NZD | – | – | 580 | 580 | | | | |
| GBP | – | – | 575 | 575 | | | | |
| ILS | – | 1,422 | (1,038) | 384 | | | | |
| AUD | – | (263) | 567 | 304 | | | | |
| NOK | – | – | 188 | 188 | | | | |
| EUR | 1,704 | 351 | (1,892) | 163 | | | | |
| INR | – | – | 66 | 66 | | | | |
| ZAR | – | – | 23 | 23 | | | | |
| BRL | – | – | (14) | (14) | | | | |
| COP | – | – | (15) | (15) | | | | |
| HUF | – | – | (15) | (15) | | | | |
| KOR | – | – | (26) | (26) | | | | |
| PEN | – | – | (27) | (27) | | | | |
| IDR | – | – | (48) | (48) | | | | |
| SGD | – | – | (76) | (76) | | | | |
| NTD | – | – | (91) | (91) | | | | |
| SEK | – | – | (707) | (707) | | | | |
| JPY | – | 1,264 | (1,981) | (717) | | | | |
| CHF | – | – | (1,523) | (1,523) | | | | |
| Total | 65,569 | 11,144 | (65,511) | 11,202 | | | | |
| % of Net Assets | 54.5 | 9.3 | (54.5) | 9.3 | | | | |
| Total currency rate sensitivity | | | | | (560) | (0.5) | 560 | 0.5 |

* Includes both monetary and non-monetary financial instruments

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.

| September 30, 2023 | Bonds (\$) | | Derivative Instruments (\$) | | Impact on net assets | | | |
|--|---------------|----------------|--------------------------------|----------------|----------------------|-------|----------------|-----|
| | Long | Short | Long | Short | Increase by 1% | | Decrease by 1% | |
| | | | | | (\$) | (%) | (\$) | (%) |
| Less than 1 year | 1,972 | – | 31,216 | (8,245) | | | | |
| 1-5 years | 25,003 | (1,891) | – | – | | | | |
| 5-10 years | 31,081 | (672) | – | – | | | | |
| Greater than 10 years | 11,545 | – | – | – | | | | |
| Total | 69,601 | (2,563) | 31,216 | (8,245) | | | | |
| Total sensitivity to interest rate changes | | | | | (3,545) | (3.5) | 4,053 | 4.1 |

MACKENZIE CREDIT ABSOLUTE RETURN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

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 (cont'd)

| | Bonds (\$) | | Derivative Instruments (\$) | | Impact on net assets | | | |
|--|---------------|---------|--------------------------------|----------|----------------------|-------|----------------|-----|
| | Long | Short | Long | Short | Increase by 1% | | Decrease by 1% | |
| March 31, 2023 | | | | | (\$) | (%) | (\$) | (%) |
| Less than 1 year | 4,067 | – | 21,083 | (12,417) | | | | |
| 1-5 years | 30,543 | (1,800) | – | – | | | | |
| 5-10 years | 42,163 | (933) | – | – | | | | |
| Greater than 10 years | 18,146 | – | – | – | | | | |
| Total | 94,921 | (2,733) | 21,083 | (12,417) | | | | |
| Total sensitivity to interest rate changes | | | | | (4,028) | (3.3) | 4,392 | 3.7 |

iv. Other price risk

As at September 30, 2023 and March 31, 2023, the Fund did not have a significant exposure to other price risk.

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 September 30, 2023, was 1.9% (March 31, 2023 – 4.2%) of the net assets of the Fund.

As at September 30, 2023 and March 31, 2023, debt securities by credit rating are as follows:

| Bond Rating* | September 30, 2023 | March 31, 2023 |
|---------------|--------------------|-----------------|
| | % of Net Assets | % of Net Assets |
| AAA | – | 0.1 |
| AA | 1.2 | 5.0 |
| A | 2.0 | 4.8 |
| BBB | 3.9 | 8.9 |
| Less than BBB | 51.7 | 50.4 |
| Unrated | 8.3 | 7.5 |
| Total | 67.1 | 76.1 |

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

(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.

| | September 30, 2023 | | | | March 31, 2023 | | | |
|--|--------------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|---------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Bonds – Long | 664 | 68,937 | – | 69,601 | – | 94,921 | – | 94,921 |
| Bonds – Short | – | (2,563) | – | (2,563) | – | (2,733) | – | (2,733) |
| Equities | 506 | – | – | 506 | 559 | – | – | 559 |
| Options | – | 279 | – | 279 | – | 320 | – | 320 |
| Exchange-traded funds/notes – Long | 453 | – | – | 453 | 485 | – | – | 485 |
| Exchange-traded funds/notes – Short | (834) | – | – | (834) | (825) | – | – | (825) |
| Private funds | – | – | 2,948 | 2,948 | – | – | 2,922 | 2,922 |
| Derivative assets | 66 | 263 | – | 329 | 395 | 1,124 | – | 1,519 |
| Derivative liabilities | (258) | (359) | – | (617) | (208) | (394) | – | (602) |
| Short-term investments | – | 23,027 | – | 23,027 | – | 9,089 | – | 9,089 |
| Total | 597 | 89,584 | 2,948 | 93,129 | 406 | 102,327 | 2,922 | 105,655 |

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 September 30, 2023, bonds with a fair value of \$Nil (March 31, 2023 – \$671) were transferred from Level 1 to Level 2 and a fair value of \$664 (March 31, 2023 – \$Nil) were transferred from Level 2 to Level 1 as a result of changes in the inputs used for valuation.

MACKENZIE CREDIT ABSOLUTE RETURN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

NOTES TO FINANCIAL STATEMENTS

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

(f) Fair Value Classification (cont'd)

The table below presents a reconciliation of financial instruments measured at fair value using unobservable inputs (Level 3) for the periods ended September 30, 2023 and March 31, 2023:

| | September 30, 2023 | March 31, 2023 |
|--|-----------------------|-----------------------|
| | Private funds (\$) | Private funds (\$) |
| Balance – beginning of period | 2,922 | 1,266 |
| Purchases | 5 | 1,603 |
| Sales | – | – |
| Transfers in | – | – |
| Transfers out | – | – |
| Gains (losses) during the period: | | |
| Realized | – | – |
| Unrealized | 21 | 53 |
| Balance – end of period | 2,948 | 2,922 |
| Change in unrealized gains (losses) during the period attributable to securities held at end of period | 21 | 53 |

Changing one or more of the inputs to reasonably possible alternative assumptions for valuing Level 3 financial instruments would not significantly affect the fair value of those instruments.

(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:

| | September 30, 2023 | March 31, 2023 |
|--|--------------------|----------------|
| | (\$) | (\$) |
| The Manager | – | – |
| Other funds managed by the Manager | 76,838 | 95,991 |
| Funds managed by affiliates of the Manager | 15,904 | 16,738 |

(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.

| | September 30, 2023 | | | |
|---|---|----------------------------------|-------------|-----------------|
| | Gross amount of assets/liabilities (\$) | Amount available for offset (\$) | Margin (\$) | Net amount (\$) |
| Unrealized gains on derivative contracts | 153 | (125) | – | 28 |
| Unrealized losses on derivative contracts | (410) | 125 | 785 | 500 |
| Liability for options written | – | – | – | – |
| Total | (257) | – | 785 | 528 |

| | March 31, 2023 | | | |
|---|---|----------------------------------|-------------|-----------------|
| | Gross amount of assets/liabilities (\$) | Amount available for offset (\$) | Margin (\$) | Net amount (\$) |
| Unrealized gains on derivative contracts | 1,440 | (256) | – | 1,184 |
| Unrealized losses on derivative contracts | (355) | 256 | 562 | 463 |
| Liability for options written | (62) | – | – | (62) |
| Total | 1,023 | – | 562 | 1,585 |

MACKENZIE CREDIT ABSOLUTE RETURN FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

NOTES TO FINANCIAL STATEMENTS

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

(i) Interest in Unconsolidated Structured Entities

The Fund's investment details in the Underlying Funds as at September 30, 2023 and March 31, 2023 are as follows:

| | % of Underlying Fund's Net Assets | Fair Value of Fund's Investment (\$) |
|--|--------------------------------------|---|
| September 30, 2023 | | |
| iShares iBoxx \$ High Yield Corporate Bond ETF | 0.0 | (82) |
| iShares iBoxx \$ Investment Grade Corporate Bond ETF | 0.0 | 453 |
| Northleaf Private Credit II LP | 0.2 | 2,039 |
| Sagard Credit Partners II LP | 0.2 | 909 |
| SPDR Bloomberg Barclays Convertible Securities ETF | 0.0 | (752) |
| March 31, 2023 | | |
| iShares iBoxx \$ High Yield Corporate Bond ETF | 0.0 | (83) |
| iShares iBoxx \$ Investment Grade Corporate Bond ETF | 0.0 | 485 |
| Northleaf Private Credit II LP | 0.3 | 2,066 |
| Sagard Credit Partners II LP | 0.2 | 856 |
| SPDR Bloomberg Barclays Convertible Securities ETF | 0.0 | (742) |

(j) Dividend and interest income

Included in dividend and interest income for the period ended September 30, 2023 are dividends paid on securities sold short of \$9 (September 30, 2022 – \$8) and interest paid on securities sold short of \$88 (September 30, 2022 – \$131).

(k) Leverage

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

The leverage of the Fund results from the combined impact of each of its strategies: protected high-yield, dynamic leverage, long/short credit and credit momentum. The protected high-yield strategy seeks exposure to a diversified collection of non-investment grade bonds and applies an options overlay to mitigate the risk associated with this asset class. The dynamic leverage strategy uses leverage to increase exposure when the portfolio management team sees positive credit fundamentals, attractive valuations and acceptable market risk sentiment. The long/short credit strategy takes long and short positions in corporate bonds based on company- and industry-specific factors. The proprietary credit momentum strategy uses primarily derivatives such as swaps and futures to systematically adjust the Fund's exposure to investment grade and high-yield bonds, floating-rate loans and emerging market debt.

During the six-month period ended September 30, 2023, the Fund's aggregate exposure to sources of leverage ranged from 52% to 90% of the Fund's NAV. The low end of the range occurred in mid-April 2023, when a call option expired. The high end of the range occurred at the end of April 2023, when the Fund implemented a total return swap on an emerging market bond exchange-traded fund. The primary sources of leverage were physical short positions in fixed income securities, futures, options, forward currency contracts and swaps. Including the notional value of derivatives used for hedging, the low and high amounts of leverage ranged from 149% to 290%.

During the year ended March 31, 2023, the Fund's aggregate exposure to sources of leverage ranged from 135% to 51% of the Fund's NAV. The high end of the range occurred in July 2022, when the Fund used total return swaps for incremental investment grade and highyield bond exposure. The low end of the range occurred in March 2023, when the portfolio used fewer derivatives and the total size of short positions in the long/short credit strategy had decreased. The primary sources of leverage were physical short positions in fixed income securities, futures, options, forward currency contracts and swaps. Including the notional value of derivatives used for hedging, the low and high amounts of leverage ranged from 230% to 285%.

(l) Commitment

| | September 30, 2023 | | March 31, 2023 | |
|---|-------------------------|--------------------------------------|-------------------------|--------------------------------------|
| | Called Amount (US\$) | Total Commitment to Invest (US\$) | Called Amount (US\$) | Total Commitment to Invest (US\$) |
| Northleaf Private Credit II LP ⁽¹⁾ | 1,500 | 1,856 | 1,477 | 1,856 |
| Sagard Credit Partners II LP ⁽²⁾ | 632 | 1,856 | 632 | 1,856 |

⁽¹⁾ This fund is managed by Northleaf Capital Partners (Canada) Ltd., an affiliate of Mackenzie.

⁽²⁾ This fund is managed by Sagard Holdings Inc., an affiliate of Mackenzie.

(m) Investments Pledged as Collateral

As at September 30, 2023, investments in securities with a fair value of \$5,498 (March 31, 2023 – \$4,595) have been pledged as collateral against securities sold short and futures contracts.