

Annual Management Report of Fund Performance

For the Year Ended March 31, 2019

This Annual Management Report of Fund Performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You may obtain a copy of the annual financial statements, at no cost, by contacting us using one of the methods noted under Fund Formation and Series Information or by visiting the SEDAR website at www.sedar.com.

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

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

A NOTE ON FORWARD-LOOKING STATEMENTS

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

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

INTERNATIONAL BOND FUND (CLI)

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2019

FIXED INCOME FUND

Management Discussion of Fund Performance

June 3, 2019

This Management Discussion of Fund Performance presents the portfolio management team's view on the significant factors and developments during the period ended March 31, 2019, that have affected the Fund's performance and outlook. If the Fund was established during the period, "period" represents the period from inception to the end of the fiscal period. For information on the Fund's longer-term performance, as applicable, please refer to the *Past Performance* section of the report. In this report, "Mackenzie" refers to Mackenzie Financial Corporation, the manager of the Fund. In addition, net asset value ("NAV") refers to the value of the Fund as calculated for transaction purposes, on which the discussion of Fund performance is based.

Investment Objective and Strategies

The Fund seeks interest income with the potential for capital growth by investing primarily in fixed income securities issued by governments, corporations and international agencies anywhere in the world.

Risk

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

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

The Fund is currently available for investment only by other Mackenzie funds.

Results of Operations

Investment Performance

During the year, the Fund's Series R securities returned 2.1% (after deducting fees and expenses paid by the series). This compares with the ICE BofAML Global Broad Market Index return of 3.6%. All index and series returns are calculated on a total return basis in Canadian dollar terms. Investors cannot invest in an index without incurring fees, expenses and commissions, which are not reflected in the index returns.

Performance varied across developed global sovereign bond markets. In general, yields on longer-term bonds declined and yield curves flattened as central banks took a more pessimistic view of growth as the year progressed. Emerging markets stabilized in January after the U.S. Federal Reserve shifted away from monetary tightening, introducing some uncertainty about the strength of the U.S. dollar. Despite volatility, the Canadian dollar was relatively strong, benefiting from a solid economic backdrop.

The Fund underperformed the index, with security selection in corporate bonds, particularly in the financial sector, detracting from performance.

Conversely, security selection within government bonds contributed to performance.

The Fund did not hedge its foreign currency exposure, which detracted from absolute performance primarily as the British pound and euro depreciated relative to the Canadian dollar.

Over the year, portfolio activity and market effect resulted in new exposure to South Korea, increased exposure to the United Kingdom and Italy, and reduced exposure to the United States, France and Japan. At the sector level, exposure to federal bonds increased, while exposure to foreign government bonds decreased. Changes to the portfolio included new positions in Lloyds Banking Group PLC (0.65%, 05-30-2023) and Eni SpA (4.00%, 09-12-2023), and the elimination of the positions in BPCE SA (1.13% 01-18-2023) and AT&T Inc. (2.35% 09-05-2029, callable 2029).

Net Assets

The Fund's NAV increased by 12.1% to \$97.3 million at March 31, 2019, from \$86.8 million at March 31, 2018. This change was composed primarily of \$2.1 million in net income (including interest income) from investment performance, after deducting fees and expenses, \$9.9 million in net sales, and \$1.5 million in cash distributions.

Fees and Expenses

The management expense ratio ("MER") for Series R of 0.00% during the year ended March 31, 2019, was unchanged from the MER for the year ended March 31, 2018. No management fee or administration fee, other than certain specific fund costs, is charged to Series R.

Recent Developments

The portfolio management team has adopted a more cautious outlook on corporate bonds and interest rates. Although the team expects the Federal Reserve to implement fewer interest rate increases than had been previously forecast, rising corporate and sovereign debt remains a concern.

Despite the slower pace of growth in the United States and Europe, many economic indicators are still in expansionary territory and point toward healthy global growth. The team expects gross domestic product growth in developed economies to be supported by private consumption, higher wages and the potential for further relaxation in fiscal policies. In the team's view, this should put upward pressure on bond yields, especially at a time when central banks are normalizing monetary policies by ending asset purchases. At year-end, the Fund maintained a shorter duration than that of the index and was focused on higher-quality issuers.

Related Party Transactions

Investment funds managed by Mackenzie invest in Series R securities of the Fund on a prospectus-exempt basis in accordance with the investment objectives of those funds. At March 31, 2019, funds managed by Mackenzie owned 100.0% of the Fund's NAV. All related party transactions are based on the NAV per security on each transaction day.

The Fund did not rely on an approval, positive recommendation or standing instruction from the Mackenzie Funds' Independent Review Committee with respect to any related party transactions.

INTERNATIONAL BOND FUND (CLI)

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2019

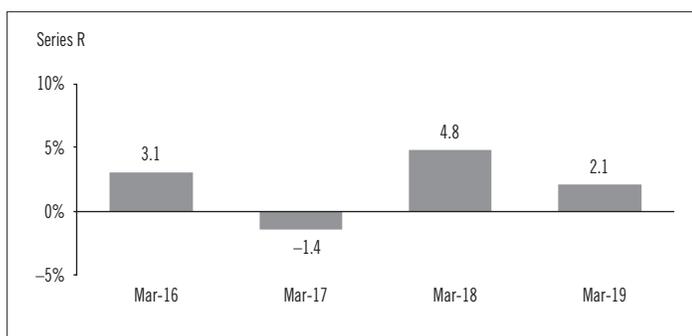
FIXED INCOME FUND

Past Performance

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

Year-by-Year Returns

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



Annual Compound Returns

The following table compares the historical annual compound total returns for each series of the Fund with the relevant index or indices shown below for each of the periods ended March 31, 2019. Investors cannot invest in an index without incurring fees, expenses and commissions, which are not reflected in these performance figures.

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

Percentage Return:	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Series R	2.1	1.8	n/a	n/a	2.6
ICE BofAML Global Broad Market Index	3.6	2.5	n/a	n/a	2.7

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

INTERNATIONAL BOND FUND (CLI)

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2019

FIXED INCOME FUND

Summary of Investment Portfolio at March 31, 2019

Portfolio Allocation	% of NAV
Bonds	92.5
Cash and short-term investments	6.9
Other assets (liabilities)	0.6

Regional Allocation

Regional Allocation	% of NAV
United States	19.8
United Kingdom	15.9
Japan	13.0
France	10.3
Cash and short-term investments	6.9
Italy	5.7
Spain	4.7
Canada	4.6
Germany	4.5
Netherlands	3.7
Venezuela	3.4
South Korea	2.1
Portugal	1.6
Switzerland	1.3
Mexico	1.2
Other	0.7
Other assets (liabilities)	0.6

Sector Allocation

Sector Allocation	% of NAV
Foreign government bonds	42.6
Corporate bonds	41.9
Cash and short-term investments	6.9
Federal bonds	4.6
Supra-national bonds	3.4
Other assets (liabilities)	0.6

Bonds by Credit Rating*

Bonds by Credit Rating*	% of NAV
AAA	16.4
AA	14.6
A	41.4
BBB	20.1

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

The Fund did not hedge its foreign currency exposure at the end of the period.

Top 25 Holdings

Issuer	% of NAV
Cash and short-term investments	6.9
United Kingdom Treasury 0.75% 07-22-2023 Callable 2019	3.8
Enel Finance International NV 1.13% 09-16-2026 Callable 2026	3.8
Corporacion Andina de Fomento 2.125% 09-27-2021	3.4
United States Treasury 1.13% 02-28-2021	3.2
United Kingdom Treasury 1.75% 07-22-2019	2.7
SCOR SE 5.25% 03-13-2067 Perpetual Callable 2029	2.6
Lloyds Banking Group PLC 0.65% 05-30-2023	2.5
BNP Paribas SA 0.37% 02-28-2023	2.5
Barclays PLC 1.88% 12-08-2023	2.4
Sumitomo Life Insurance Co. F/R 09-14-2077 Callable 2027	2.3
Government of Spain 2.15% 10-31-2025	2.3
Allianz SE F/R 10-29-2049 Callable 2023	2.1
Export-Import Bank of Korea 0.63% 07-11-2023	2.1
Eni SpA 4.00% 09-12-2023	2.0
Development Bank of Japan Inc. 1.05% 06-20-2023	1.9
United Kingdom Treasury 4.50% 09-07-2034	1.9
AXA SA F/R 01-17-2047 Callable 2027	1.9
Government of Japan 0.10% 06-20-2027	1.9
AT&T Inc. 2.35% 09-05-2029 Callable 2029	1.9
Government of Japan 1.20% 09-20-2035	1.8
United States Treasury 1.75% 05-15-2023	1.8
United States Treasury 2.88% 04-30-2025	1.7
Portugal Obrigacoes do Tesouro 4.80% 06-15-2020	1.6
United States Treasury 2.50% 05-31-2020	1.6

Top long positions as a percentage of total net asset value

62.6

The Fund held no short positions at the end of the period.

The investments and percentages may have changed since March 31, 2019, due to the ongoing portfolio transactions of the Fund. Quarterly updates of holdings are available within 60 days of the end of each quarter except for March 31, the Fund's fiscal year-end, when they are available within 90 days.

INTERNATIONAL BOND FUND (CLI)

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2019

FIXED INCOME FUND

Financial Highlights

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

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

Series R	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017	Mar. 31 2016
Net assets, beginning of period	10.28	9.99	10.27	10.00
Increase (decrease) from operations:				
Total revenue	0.19	0.19	0.16	0.05
Total expenses	—	—	—	—
Realized gains (losses) for the period	(0.01)	(0.13)	(0.16)	0.17
Unrealized gains (losses) for the period	0.05	0.44	(0.63)	0.09
Total increase (decrease) from operations²	0.23	0.50	(0.63)	0.31
Distributions:				
From net investment income (excluding dividends)	(0.19)	(0.19)	(0.15)	(0.04)
From dividends	—	—	—	—
From capital gains	—	—	—	—
Return of capital	—	—	—	—
Total annual distributions³	(0.19)	(0.19)	(0.15)	(0.04)
Net assets, end of period	10.29	10.28	9.99	10.27

(1) These calculations are prescribed by securities regulations and are not intended to be a reconciliation between opening and closing net assets per security. This information is derived from the Fund's audited annual financial statements. The net assets per security presented in the financial statements may differ from the net asset value per security calculated for fund pricing purposes. An explanation of these differences can be found in the *Notes to Financial Statements*.

(2) Net assets and distributions are based on the actual number of securities outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of securities outstanding over the fiscal period.

(3) Distributions were paid in cash/reinvested in additional securities of the Fund, or both.

RATIOS AND SUPPLEMENTAL DATA

Series R	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017	Mar. 31 2016
Total net asset value (\$000)¹	97,269	86,772	77,048	5,287
Securities outstanding (000)¹	9,456	8,439	7,716	515
Management expense ratio (%)²	—	—	—	—
Management expense ratio before waivers or absorptions (%)²	—	—	—	—
Trading expense ratio (%)³	0.00	0.00	0.00	0.02
Portfolio turnover rate (%)⁴	24.12	27.21	59.73	n/a
Net asset value per security (\$)	10.29	10.27	9.99	10.27

(1) This information is provided as at the end of the fiscal period shown.

(2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. If in the period a series was established or reinstated, the management expense ratio is annualized from the date of inception or reinstatement. Mackenzie and Quadrus may waive or absorb operating expenses at their discretion and stop waiving or absorbing such expenses at any time without notice.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is not provided when the Fund is less than one year old. The value of any trades to realign the Fund's portfolio after a fund merger, if any, is excluded from the portfolio turnover rate.

Management Fees

The Fund pays no management fees on its Series R securities. Management fees from other Mackenzie funds that invest in the Fund were used to pay Canada Life Asset Management Ltd., an affiliate of Mackenzie, for providing investment advisory services, including managing the investment portfolio, providing investment analysis and recommendations, making investment decisions and making brokerage arrangements for the purchase and sale of the investment portfolio.

INTERNATIONAL BOND FUND (CLI)

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2019

FIXED INCOME FUND

Fund Formation and Series Information

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

Date of Formation November 27, 2015

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

Series Distributed by Quadrus Investment Services Ltd. (255 Dufferin Ave., London, Ontario, N6A 4K1; 1-888-532-3322; www.quadrusgroupoffunds.com)

Quadrus Investment Services Ltd. ("Quadrus") is the principal distributor of the series of securities listed below:

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

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Mar. 31, 2019	Mar. 31, 2018
Series R	December 7, 2015	— *	— *	10.29	10.27

* Not applicable.