Mackenzie North American Corporate Bond Fund – Series A

Q3-2015 COMMENTARY

Performance Summary

- For Q3 2015, the Mackenzie North American Corporate Bond Fund returned -5.8% vs. the blended index[1] return of 0.2%.
- The Fund underperformed the benchmark largely because of currency. The Fund hedges its foreign currency exposure while the benchmark is unhedged. The Canadian dollar was weak relative to the U.S. dollar and the Fund did not benefit because of the hedge.

Contributors to Performance

- An underweight exposure to metals and mining, industrials and paper and packaging benefited performance.
- At the issuer level, underweight positioning to Bombardier, First Quantum Minerals, and MEG Energy were the biggest contributors to relative returns during the period.

Detractors from Performance

- Allocations to technology, energy, and utilities detracted from relative performance in the fund.
- On an absolute basis the largest detractors were energy, metals and mining and telecommunications.
- Overweight allocations to Linn Energy, Avaya, and Halcon Resources were the biggest detractors from performance relative to the index at the issuer level.

Outlook

- The Federal Reserve's (Fed) decision to stay on hold at the September FOMC meeting was not unexpected, but there was some genuine uncertainty going into the meeting about how the Fed would balance the strength of the domestic economy with the risks from overseas weakness. The dovish comments ultimately left the market with even more uncertainty. Overall, it seems that the Fed wants to hike, and is highly likely to hike, unless risks to the outlook increase. Should hikes occur in coming months, the Fed will be making the bet that the domestic parts of the economy are strong enough not to be derailed by developments in energy and mining and globally exposed companies. But the real test is likely to be in the labor market and the overall pace of job creation at a time when extractive industries and manufacturing are likely to continue to shed jobs. We continue to be on the optimistic side of this particular issue, but we are beginning to revise down our estimate of how much the Fed can move next year. It would be a surprise if the fed funds rate at the end of 2016 is more than 75 bps higher than it is currently. Unfortunately, the dollar will likely take more of the strain.
- Growth continues to be muted in Canada on the heels of depressed commodity prices, which has put significant pressure on commodity related businesses. September however saw improvements in labor market in Canada and the Bank of Canada decided to keep rates unchanged in their September meeting.
- Although the U.S. and Canadian high-yield market has experienced considerable pressure over the past several months, our view regarding the fundamental landscape of the asset class has not frayed. U.S. economic growth is steady, highlighted by two consecutive upward revisions to Q2 GDP, while corporate balance sheets are still healthy. The default environment has slowly accelerated, although it continues to be a function of weakness in commodity-sensitive companies. With that being said, we believe aggregate default rates in the high-yield market will remain below historical averages. From a valuation standpoint, high-yield spreads have widened considerably since the beginning of June. We believe these levels are attractive against a backdrop of favorable fundamentals. Despite our constructive view on fundamentals and valuations, we remain cognizant of Fed policy, global growth, and the technical landscape given recent volatility in risk assets.

PORTFOLIO MANAGEMENT TEAM:

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MACKENZIE Investments

Commissions, trailing commissions, management fees, and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns as of September 30, 2015 including changes in unit value and reinvestment of all distributions and does not take into account sales, redemption, distribution, or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

Index performance does not include the impact of fees, commissions, and expenses that would be payable by investors in the investment products that seek to track an index.

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To the extent the Fund uses any currency hedges, share performance is referenced to the applicable foreign country terms and such hedges will provide the Fund with returns approximating the returns an investor in a foreign country would earn in their local currency.

Fund and Benchmark Performance as at: September 30, 2015	1 year	3 years	5 years	Since Inception (Jun. 2009)
Mackenzie North American Corporate Bond Fund Series A	-4.7%	1.9%	4.2%	6.1%
[1]Blended Index is comprised of 25% BofAML Canada High Yield Index ($CDN) and 75% BofAML High-Yield U.S. Index ($CDN)	11.9%	13.3%	10.8%	11.8%