

MACKENZIE UNCONSTRAINED BOND ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE FIXED INCOME ETF

MANAGEMENT REPORT

Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by Mackenzie Financial Corporation, as Manager of Mackenzie Unconstrained Bond ETF (the "ETF"). The Manager is responsible for the integrity, objectivity and reliability of the data presented. This responsibility includes selecting appropriate accounting principles and making judgments and estimates consistent with International Financial Reporting Standards. The Manager is also responsible for the development of internal controls over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors (the "Board") of Mackenzie Financial Corporation is responsible for reviewing and approving the financial statements and overseeing the Manager's performance of its financial reporting responsibilities. The Board is assisted in discharging this responsibility by an Audit Committee, which reviews the financial statements and recommends them for approval by the Board. The Audit Committee also meets regularly with the Manager, internal auditors and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues.

Deloitte LLP is the external auditor of the ETF. It is appointed by the Board. The external auditor has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express to the securityholders its opinion on the financial statements. Its report is set out below.

On behalf of Mackenzie Financial Corporation,
Manager of the ETF



Barry McInerney
President and Chief Executive Officer



Terry Rountes
Chief Financial Officer, Funds

June 7, 2018

INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Mackenzie Unconstrained Bond ETF (the "ETF")

We have audited the accompanying financial statements of the ETF which comprise the statements of financial position as at March 31, 2018 and 2017, and the statements of comprehensive income, statements of changes in financial position and statements of cash flows for the periods then ended, as indicated in Note 1, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the ETF as at March 31, 2018 and 2017, and its financial performance and its cash flows for the periods then ended, as indicated in Note 1, in accordance with International Financial Reporting Standards.



Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

June 7, 2018



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STATEMENTS OF FINANCIAL POSITION

*In thousands (except per unit figures)
As at March 31*

	2018	2017
	\$	\$
ASSETS		
Current assets		
Investments at fair value	205,897	29,031
Cash and cash equivalents	40,606	2,248
Accrued interest receivable	1,735	224
Dividends receivable	11	1
Accounts receivable for investments sold	2,306	802
Accounts receivable for securities issued	1,041	–
Margin on futures contracts	114	–
Unrealized gains on derivative contracts	300	27
Total assets	252,010	32,333
LIABILITIES		
Current liabilities		
Accounts payable for investments purchased	12,398	2,517
Accounts payable for securities redeemed	–	–
Distribution payable	–	111
Due to manager	126	16
Unrealized losses on derivative contracts	2,123	195
Total liabilities	14,647	2,839
Net assets attributable to unitholders	237,363	29,494
Net assets attributable to unitholders per series (note 3)		
Series E	237,363	29,494
Net assets attributable to unitholders per unit (note 3)		
Series E	20.82	21.07

STATEMENTS OF COMPREHENSIVE INCOME

*For the periods ended March 31 (note 1)
In thousands (except per unit figures)*

	2018	2017
	\$	\$
Income		
Dividends	146	24
Interest income	5,540	473
Other changes in fair value of investments		
Net realized gain (loss)	60	296
Net unrealized gain (loss)	(910)	372
Securities lending income	31	–
Fee rebate income	1	–
Other	462	42
Total income (loss)	5,330	1,207
Expenses (note 6)		
Management fees	807	70
Interest charges	1	–
Commissions and other portfolio transaction costs	78	23
Independent Review Committee fees	–	–
Expenses before amounts absorbed by Manager	886	93
Expenses absorbed by Manager	–	–
Net expenses	886	93
Increase (decrease) in net assets attributable to unitholders from operations before tax	4,444	1,114
Foreign withholding taxes	3	–
Foreign income taxes paid (recovered)	–	–
Increase (decrease) in net assets attributable to unitholders from operations	4,441	1,114
Increase (decrease) in net assets attributable to unitholders from operations per series		
Series E	4,441	1,114
Increase (decrease) in net assets attributable to unitholders from operations per unit		
Series E	0.70	1.96

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



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STATEMENTS OF CHANGES IN FINANCIAL POSITION

For the periods ended March 31 (note 1)
In thousands

	2018	2017
	Series E	
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	\$	
Beginning of period	29,494	–
Increase (decrease) in net assets from operations	4,441	1,114
Distributions paid to unitholders:		
Investment Income	(5,994)	(680)
Capital gains	–	(26)
Total distributions paid to unitholders	(5,994)	(706)
Unit transactions:		
Proceeds from units issued	220,863	31,041
Reinvested distributions	–	128
Value of units redeemed	(11,441)	(2,083)
Total unit transactions	209,422	29,086
Total increase (decrease) in net assets	207,869	29,494
End of period	237,363	29,494
	Units	
Increase (decrease) in units (note 7):		
Units outstanding – beginning of period	1,400	–
Issued	10,550	1,500
Reinvested distributions	–	–
Redeemed	(550)	(100)
Units outstanding – end of period	11,400	1,400

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STATEMENTS OF CASH FLOWS

For the periods ended March 31 (note 1)
In thousands

	2018	2017
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to unitholders from operations	4,441	1,114
Adjustments for:		
Net realized loss (gain) on investments	(60)	(296)
Change in net unrealized loss (gain) on investments	910	(372)
Purchase of investments	(265,857)	(47,404)
Proceeds from sale and maturity of investments	98,298	20,898
Change in accrued interest receivable	(1,511)	(224)
Change in dividends receivable	(10)	(1)
Change in due to manager	110	16
Change in margin on futures contracts	(114)	–
Net cash from operating activities	(163,793)	(26,269)
Cash flows from financing activities		
Proceeds from redeemable securities issued	219,822	31,041
Payments on redemption of redeemable securities	(11,441)	(2,083)
Distributions paid net of reinvestments	(6,105)	(467)
Net cash from financing activities	202,276	28,491
Net increase (decrease) in cash and cash equivalents	38,483	2,222
Cash and cash equivalents at beginning of period	2,248	–
Effect of exchange rate fluctuations on cash and cash equivalents	(125)	26
Cash and cash equivalents at end of period	40,606	2,248
Cash	31,301	2,248
Cash equivalents	9,305	–
Cash and cash equivalents at end of period	40,606	2,248
Supplementary disclosures on cash flow from operating activities:		
Dividends received	136	23
Foreign taxes paid	18	–
Interest received	4,029	249
Interest paid	1	–

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SCHEDULE OF INVESTMENTS

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS					
AAC holdings Inc. Term Loan 1st Lien F/R 06-30-2023	United States	Term Loans	USD 511,741	644	671
Advanced Micro Devices Inc. 7.50% 08-15-2022	United States	Corporate - Non Convertible	USD 380,000	558	536
AECOM 5.13% 03-15-2027 Callable 2026	United States	Corporate - Non Convertible	USD 100,000	124	124
AIMCo Realty Investors LP 3.04% 06-01-2028 Callable 2028	Canada	Corporate - Non Convertible	60,000	60	60
Algonquin Power & Utilities Corp. 4.65% 02-15-2022	Canada	Corporate - Non Convertible	870,000	935	920
AMC Entertainment Holdings Inc. 5.88% 11-15-2026 Callable	United States	Corporate - Non Convertible	USD 650,000	785	825
American Teleconferencing Services Ltd. Term Loan 1st Lien F/R 12-08-2021	United States	Term Loans	USD 94,723	126	122
Amneal Pharmaceuticals LLC Term loan B 1st Lien F/R 03-23-2025	United States	Term Loans	USD 720,000	922	929
AMS FinCo SARL Term Loan 1st Lien F/R 05-27-2024	Luxembourg	Term Loans	USD 297,750	397	387
Antero Resources Corp. 5.625% 06-01-2023 Callable	United States	Corporate - Non Convertible	USD 375,000	520	495
Antero Resources Corp. 5.00% 03-01-2025	United States	Corporate - Non Convertible	USD 500,000	627	649
Aramark Services Inc. 4.75% 06-01-2026 Callable 2021	United States	Corporate - Non Convertible	USD 500,000	631	625
Arch Merger Sub Inc. 8.50% 09-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 900,000	1,053	1,075
Arch Merger Sub Inc. 8.50% 09-15-2025 Callable 2020	United States	Corporate - Non Convertible	USD 900,000	1,145	1,075
Asian Development Bank 5.90% 12-20-2022	Supra - National	n/a	INR 16,700,000	322	320
ASP AMC Merger Sub Inc. 8.00% 05-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 700,000	881	850
Atlantic Power Corp. 5.95% 06-23-2036	United States	Corporate - Non Convertible	100,000	82	83
ATS Consolidated Inc. Term Loan B 1st Lien F/R 02-23-2025	United States	Term Loans	USD 270,000	340	352
Avolon Holdings Funding Ltd. 5.50% 01-15-2023 144A Callable 2022	Ireland	Corporate - Non Convertible	USD 110,000	141	140
Bank of Montreal 3.32% 06-01-2026	Canada	Corporate - Non Convertible	680,000	697	688
Bank of Montreal F/R 12-15-2032 Callable 2027	Canada	Corporate - Non Convertible	USD 100,000	129	122
The Bank of Nova Scotia 2.36% 11-08-2022	Canada	Corporate - Non Convertible	430,000	430	424
The Bank of Nova Scotia F/R 04-12-2066 Callable 2022	Canada	Corporate - Non Convertible	USD 100,000	125	122
Bell Canada 2.70% 02-27-2024 Callable	Canada	Corporate - Non Convertible	1,655,000	1,654	1,617
Bell Canada 3.60% 09-29-2027 Callable	Canada	Corporate - Non Convertible	330,000	335	333
Bellatrix Exploration Ltd. 8.50% 05-15-2020 Callable 144A	Canada	Corporate - Non Convertible	USD 125,000	143	132
Big Ass Fans LLC Term Loan 1st Lien F/R 05-07-2024	United States	Term Loans	USD 189,525	241	247
BMC Acquisition Inc. Term Loan 1st Lien F/R 12-15-2024	United States	Term Loans	USD 199,500	254	258
Boardriders Inc. Term Loan B 1st Lien F/R 03-21-2024	United States	Term Loans	USD 890,000	1,125	1,135
Brazil Notas do Tesouro Nacional 10.00% 01-01-2027	Brazil	Foreign Governments	BRL 3,750,000	1,473	1,512
Bright Bidco BV Term Loan B 1st Lien F/R 06-30-2024	Netherlands	Term Loans	USD 545,875	698	714
Bruce Power LP 3.97% 06-23-2026	Canada	Corporate - Non Convertible	120,000	123	125
Burger King France SAS F/R 05-01-2023 Callable 2018	France	Corporate - Non Convertible	EUR 100,000	141	161
BWAY Holding Co. 7.25% 04-15-2025 144A	United States	Corporate - Non Convertible	USD 400,000	522	527
California Resources Corp. 8.00% 12-15-2022 Callable 2018 144A	United States	Corporate - Non Convertible	USD 1,565,000	1,403	1,590
California Resources Corp. 8.00% 12-15-2022 Callable 2018	United States	Corporate - Non Convertible	USD 440,000	362	447
Calpine Corp. 5.25% 06-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 1,417,000	1,776	1,769
Camelot Finance LP Term Loan 1st Lien F/R 10-03-2023	United States	Term Loans	USD 565,184	699	734
Camelot Finance SA 7.88% 10-15-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 1,080,000	1,497	1,456
Can Am Construction Inc./Canada Term Loan B 1st Lien F/R 07-01-2024	Canada	Term Loans	USD 585,575	729	762
Canada Goose Inc. Term Loan 1st Lien F/R 12-22-2021	Canada	Term Loans	USD 350,000	439	446
Canada Housing Trust No. 1 F/R 03-15-2023	Canada	Federal Government	5,300,000	5,318	5,316
Canada Housing Trust No. 1 2.65% 03-15-2028	Canada	Federal Government	10,000	10	10



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
Canada Housing Trust F/R 09-15-2022	Canada	Federal Government	5,700,000	5,748	5,748
Canadian Imperial Bank of Commerce 2.47% 12-05-2022	Canada	Corporate - Non Convertible	130,000	130	129
Canadian Imperial Bank of Commerce 3.00% 10-28-2024 Callable 2019	Canada	Corporate - Non Convertible	1,620,000	1,647	1,630
Canadian Imperial Bank of Commerce F/R 04-04-2028 Callable 2023	Canada	Corporate - Non Convertible	130,000	130	131
Canadian Western Bank 2.92% 12-15-2022	Canada	Corporate - Non Convertible	390,000	387	388
Careerbuilder LLC Term Loan 1st Lien F/R 07-31-2023	United States	Term Loans	USD 380,250	463	489
Casablanca US Holdings Inc. Term Loan 1st Lien F/R 03-29-2024	United States	Term Loans	USD 198,000	262	258
CCO Holdings LLC 5.13% 05-01-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 1,100,000	1,364	1,349
CCO Holdings LLC 5.13% 05-01-2027 Callable 2022	United States	Corporate - Non Convertible	USD 200,000	275	245
Centennial Resource Production LLC 5.38% 01-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 190,000	243	241
Central 1 Credit Union 2.60% 11-07-2022	Canada	Corporate - Non Convertible	70,000	70	69
CenturyLink Inc. Term Loan B 1st Lien F/R 01-31-2025	United States	Term Loans	USD 359,100	476	456
Chemtrade Logistics Income Fund 4.75% 05-31-2024 Conv. Callable 2022	Canada	Corporate - Convertible	200,000	200	196
Chloe Ox Parent LLC Term Loan 1st Lien F/R 12-19-2024	United States	Term Loans	USD 390,000	497	509
Choice Properties Real Estate Investment Trust 3.01% 03-21-2022 Callable 2022	Canada	Corporate - Non Convertible	40,000	40	40
Choice Properties Real Estate Investment Trust 3.55% 01-10-2025 Callable 2024	Canada	Corporate - Non Convertible	60,000	60	60
Choice Properties Real Estate Investment Trust 4.18% 03-08-2028 Callable 2027	Canada	Corporate - Non Convertible	170,000	170	173
CHS/Community Health Systems Inc. 5.13% 08-01-2021	United States	Corporate - Non Convertible	USD 310,000	382	373
Coeur Mining Inc. 5.88% 06-01-2024 Callable 2020	United States	Corporate - Non Convertible	USD 710,000	899	914
Comfort Holding LLC Term Loan 1st Lien F/R 02-05-2024	United States	Term Loans	USD 297,000	400	372
Comfort Holding LLC Term Loan 2nd Lien F/R 02-03-2025	United States	Term Loans	USD 30,000	38	37
Commercial Vehicle Group Inc. Term Loan B 1st Lien F/R 03-30-2023	United States	Term Loans	USD 98,125	128	127
Commonwealth of Bahamas 5.75% 01-16-2024	Bahamas	Foreign Governments	USD 745,000	981	993
Commonwealth of Bahamas 6.00% 11-21-2028 Callable 2028	Bahamas	Foreign Governments	USD 880,000	1,121	1,182
Commonwealth of Bahamas 6.95% 11-20-2029	Bahamas	Foreign Governments	USD 120,000	177	171
Communications Sales & Leasing Inc. Term Loan B 1st Lien F/R 10-24-2022	United States	Term Loans	USD 358,344	438	446
Communications Sales & Leasing Inc. 8.25% 10-15-2023 Callable 2019	United States	Corporate - Non Convertible	USD 56,000	67	69
Communications Sales & Leasing Inc. 7.13% 12-15-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 760,000	889	891
Conn's Inc. 7.25% 07-15-2022 Callable	United States	Corporate - Non Convertible	USD 305,000	367	392
Constellium NV 6.63% 03-01-2025 Callable 2020 144A	Netherlands	Corporate - Non Convertible	USD 90,000	121	118
Constellium NV 4.25% 02-15-2026 Callable 2020	Netherlands	Corporate - Non Convertible	EUR 150,000	224	241
Constellium NV 5.88% 02-15-2026 Callable 2020 144A	Netherlands	Corporate - Non Convertible	USD 620,000	805	789
ConvergeOne Holdings Corp. Term Loan B 1st Lien F/R 06-20-2024	United States	Term Loans	USD 874,022	1,115	1,132
Coronado Australian Holdings Pty Ltd. Term Loan B 1st Lien F/R 03-21-2025	United States	Term Loans	USD 416,429	521	531
Coronado Australian Holdings Pty Ltd. Term Loan C 1st Lien F/R 03-21-2025	United States	Term Loans	USD 113,571	142	145



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SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
Crew Energy Inc. 6.50% 03-14-2024 Callable	Canada	Corporate - Non Convertible	270,000	268	254
CSC Holdings LLC Term Loan B 1st Lien F/R 01-12-2026	United States	Term Loans	USD 290,000	360	374
CSM Bakery Solutions LLC Term Loan 2nd Lien F/R 07-05-2021	United States	Term Loans	USD 500,000	569	619
CSM NV Term Loan B F/R 07-03-2020	United States	Term Loans	USD 367,845	446	470
CSP Technologies North America LLC Term Loan B 1st Lien F/R 01-29-2022	United States	Term Loans	USD 74,039	99	97
CVR Partners LP 9.25% 06-15-2023 Callable 2019 144A	United States	Corporate - Non Convertible	USD 400,000	531	551
Daseke Inc. Term Loan 1st Lien F/R 02-27-2024	United States	Term Loans	USD 248,499	320	324
DaVita Healthcare Partners Inc. 5.00% 05-01-2025 Callable 2020	United States	Corporate - Non Convertible	USD 900,000	1,109	1,124
Deerfield Holdings Corp. Term Loan B 1st Lien F/R 12-06-2024	United States	Term Loans	USD 210,000	268	272
Denbury Resources Inc. 9.00% 05-15-2021 Callable 144A	United States	Corporate - Non Convertible	USD 140,000	182	186
Denbury Resources Inc. 5.50% 05-01-2022 Callable 2017	United States	Corporate - Non Convertible	USD 80,000	75	82
DHX Media Ltd. 5.88% 09-30-2024 Conv.	Canada	Corporate - Convertible	70,000	66	64
Diamond (BC) BV Term Loan 1st Lien F/R 09-06-2024	United States	Term Loans	USD 219,450	274	283
Digicert Holdings Inc. Term Loan 1st Lien F/R 09-20-2024	United States	Term Loans	USD 180,000	221	235
Digicert Holdings Inc. Term Loan 2nd Lien F/R 10-31-2025	United States	Term Loans	USD 60,000	74	78
DISH DBS Corp. 5.875% 11-15-2024	United States	Corporate - Non Convertible	USD 1,008,000	1,249	1,162
Drive DeVilbiss Healthcare Ltd. Term Loan 1st Lien F/R 01-03-2023	United States	Term Loans	USD 784,197	906	955
Dynergy Inc. 8.13% 01-30-2026 Callable 2020 144A	United States	Corporate - Non Convertible	USD 400,000	502	571
EagleTree-Carbide Acquisition Corp. Term Loan 1st Lien F/R 08-28-2024	United States	Term Loans	USD 677,300	843	881
Elo Touch Solutions Inc. Term Loan B 1st Lien F/R 10-25-2023	United States	Term Loans	USD 337,200	428	439
Enbridge Gas Distribution Inc. 3.51% 11-29-2047 Callable 2047	Canada	Corporate - Non Convertible	120,000	120	119
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate - Non Convertible	1,780,000	1,763	1,716
Envigo Holdings Inc. Term Loan B 1st Lien F/R 12-14-2023	United States	Term Loans	USD 500,000	616	633
EPCOR Utilities Inc. 3.55% 11-27-2047 Callable 2047	Canada	Corporate - Non Convertible	80,000	80	80
Exela Intermediate LLC 10.00% 07-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 800,000	1,015	1,047
FAGE International SA/FAGE USA Dairy Industry Inc. 5.625% 08-15-2026 Callable 2021 144A	Luxembourg	Corporate - Non Convertible	USD 700,000	871	841
Fairfax Financial Holdings Ltd. 4.50% 03-22-2023	Canada	Corporate - Non Convertible	1,740,000	1,822	1,815
Fairmount Santrol Term Loan B 1st Lien F/R 11-01-2022	United States	Term Loans	USD 550,744	696	719
First Quantum Minerals Ltd. 7.25% 04-01-2023 Callable 2019 144A	Canada	Corporate - Non Convertible	USD 150,000	206	191
First Quantum Minerals Ltd. 7.25% 04-01-2023 Callable 2019	Zambia	Corporate - Non Convertible	USD 150,000	192	191
First Quantum Minerals Ltd. 6.88% 03-01-2026 Callable 2021 144A	Zambia	Corporate - Non Convertible	USD 330,000	417	405
Fortress Transportation and Infrastructure Investors LLC 6.75% 03-15-2022 Callable 2020 144A	United States	Corporate - Non Convertible	USD 280,000	372	367
FXI Holdings Inc. 7.88% 11-01-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 650,000	827	822
Garda World Security Corp. Term Loan B 1st Lien F/R 05-26-2024	Canada	Term Loans	USD 82,385	112	107
Gateway Casinos & Entertainment Ltd. Term Loan B 1st Lien F/R 03-13-2025	Canada	Term Loans	USD 330,000	425	429
Gateway Casinos & Entertainment Ltd. 8.25% 03-01-2024 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 395,000	543	542
Gavilan Resources LLC Term Loan 2nd Lien F/R 02-23-2024	United States	Term Loans	USD 250,000	310	324
General Motors Financial Co. Inc. 4.25% 05-15-2023	United States	Corporate - Non Convertible	USD 328,000	454	431



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As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
Genworth Holdings Inc. Term Loan 1st Lien F/R 02-28-2023	United States	Term Loans	USD 310,000	396	407
GFL Environmental Inc. 5.38% 03-01-2023 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 390,000	495	495
Gibson Energy Inc. 5.25% 07-15-2021 Conv. Callable 2020	Canada	Corporate - Convertible	490,000	515	519
Gibson Energy Inc. 5.25% 07-15-2024 Callable 2020 REGS	Canada	Corporate - Non Convertible	2,090,000	2,092	2,104
The Goodyear Tire & Rubber Co. 4.88% 03-15-2027 Callable 2026	United States	Corporate - Non Convertible	USD 200,000	246	249
Government of Aruba 4.625% 09-14-2023	Aruba	Foreign Governments	USD 650,000	870	875
Government of Canada 3.25% 06-01-2021	Canada	Federal Government	650,000	677	677
Government of Canada 1.00% 09-01-2022	Canada	Federal Government	985,000	949	946
Government of Canada 2.50% 06-01-2024	Canada	Federal Government	100,000	102	103
Government of Canada 1.00% 06-01-2027	Canada	Federal Government	12,274,000	11,292	11,166
Government of Canada 2.00% 06-01-2028	Canada	Federal Government	3,440,000	3,348	3,406
Government of Canada 2.75% 12-01-2048	Canada	Federal Government	1,640,000	1,744	1,830
Government of Ireland 1.00% 05-15-2026	Ireland	Foreign Governments	EUR 445,000	671	726
Government of Russia 7.05% 01-19-2028	Russia	Foreign Governments	RUB 47,000,000	1,082	1,066
Government of Turkey 11.00% 02-24-2027	Turkey	Foreign Governments	TRL 1,700,000	643	512
Great Canadian Gaming Corp. 6.625% 07-25-2022 Callable 2017	Canada	Corporate - Non Convertible	169,000	173	175
Green Plains Inc. Term Loan B 1st Lien F/R 08-29-2023	United States	Term Loans	USD 995,000	1,235	1,288
Greenhill & Co. Inc. Term Loan B 1st Lien F/R 10-12-2022	United States	Term Loans	USD 217,250	271	283
H&R Real Estate Investment Trust 3.42% 01-23-2023 Callable 2022	Canada	Corporate - Non Convertible	60,000	60	60
HCA Inc. 6.50% 02-15-2020 Callable	United States	Corporate - Non Convertible	USD 250,000	373	339
Heathrow Funding Ltd. 3.40% 03-08-2028	United Kingdom	Corporate - Non Convertible	150,000	150	152
Horizon Pharma Financing Inc. 6.625% 05-01-2023 Callable 2018 144A	United States	Corporate - Non Convertible	USD 1,000,000	1,286	1,288
Hornblower Sub LLC Term Loan 1st Lien F/R 04-28-2025	United States	Term Loans	USD 590,000	759	762
HSBC Bank Canada 2.54% 01-31-2023	Canada	Corporate - Non Convertible	120,000	120	118
Hudson River Trading LLC Term Loan 1st Lien F/R 03-20-2025	United States	Term Loans	USD 490,000	635	634
Hyster-Yale Group Inc. Term Loan B 1st Lien F/R 05-30-2023	United States	Term Loans	USD 737,000	952	958
I-Logic Technologies Bidco Ltd. Term Loan B 1st Lien F/R 12-20-2024	United States	Term Loans	USD 339,150	433	438
Imagine! Print Solutions Inc. Term Loan 1st Lien F/R 06-21-2022	United States	Term Loans	USD 785,014	1,000	951
Impala Private Holdings II LLC Term Loan 1st Lien F/R 11-10-2024	United States	Term Loans	USD 349,125	441	452
Indivior Finance SARL Term Loan B 1st Lien F/R 12-14-2022	United Kingdom	Term Loans	USD 259,350	329	336
Integro Ltd. United States Term Loan B1 1st Lien F/R 10-31-2022	United States	Term Loans	USD 98,738	132	127
Interior Logic Group Inc. Term Loan B 1st Lien F/R 03-01-2024	United States	Term Loans	USD 576,013	709	748
International Finance Corp. 6.30% 11-25-2024	Supra - National	n/a	INR 30,690,000	627	597
International Finance Corp. 7.00% 07-20-2027	Supra - National	n/a	MXN 16,500,000	1,045	1,116
iQor US Inc. Term Loan 2nd Lien F/R 04-01-2022	United States	Term Loans	USD 300,000	362	374
iQor US Inc. Term Loan B 1st Lien F/R 04-01-2021	United States	Term Loans	USD 335,725	423	434
Iron Mountain Canada Operations ULC 5.38% 09-15-2023 Callable 2019	United States	Corporate - Non Convertible	180,000	189	185
Itron Inc. 5.00% 01-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 500,000	627	636
JBS USA Lux SA Term Loan B 1st Lien F/R 10-30-2022	Brazil	Term Loans	USD 297,000	395	382
Jefferies Finance LLC 6.88% 04-15-2022 Callable	United States	Corporate - Non Convertible	USD 450,000	576	577



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BONDS (cont'd)					
KEMET Corp. Term Loan B 1st Lien F/R 04-26-2024	United States	Term Loans	USD 192,500	252	253
Keystone Peer Review Organization Holdings Inc. Term Loan 1st Lien F/R 05-01-2024	United States	Term Loans	USD 59,700	80	77
Kronos Acquisition Holdings Inc. 9.00% 08-15-2023 144A	Canada	Corporate - Non Convertible	USD 110,000	133	135
L Brands Inc. 6.95% 03-01-2033	United States	Corporate - Non Convertible	USD 380,000	459	472
Lamb Weston Holdings Inc. 4.88% 11-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 380,000	485	487
Lannett Co. Inc. Term Loan B 1st Lien F/R 11-25-2022	United States	Term Loans	USD 35,905	47	46
Laurentian Bank of Canada F/R 10-22-2019	Canada	Corporate - Non Convertible	110,000	110	110
LBM Borrower LLC Term Loan 1st Lien F/R 08-20-2022	United States	Term Loans	USD 49,242	64	64
LD Intermediate Holdings Inc. Term Loan B 1st Lien F/R 12-09-2022	United States	Term Loans	USD 750,610	851	870
Lee Enterprises Inc. 9.50% 03-15-2022 Callable 2018 144A	United States	Corporate - Non Convertible	USD 250,000	356	337
LifeMiles Ltd. Term Loan B 1st Lien F/R 08-18-2022	Colombia	Term Loans	USD 712,500	894	941
LifeMiles Ltd. Term Loan B 1st Lien F/R 08-18-2022	Colombia	Term Loans	USD 310,000	406	409
Lifetime Brands Inc. Term Loan B 1st Lien F/R 03-31-2025	United States	Term Loans	USD 130,000	163	169
Logibec Groupe Informatique Ltd. Term Loan 1st Lien F/R 12-31-2018	Canada	Term Loans	158,568	151	151
Manulife Bank of Canada 2.84% 01-12-2023	Canada	Corporate - Non Convertible	80,000	80	80
Mattamy Group Corp. 6.50% 10-01-2025 Callable 2020	Canada	Corporate - Non Convertible	720,000	727	735
Mattamy Group Corp. 6.50% 10-01-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 630,000	806	824
McAfee LLC Term Loan 2nd Lien F/R 09-29-2025	United States	Term Loans	USD 800,000	993	1,047
McAfee LLC Term Loan B 1st Lien F/R 09-30-2024	United States	Term Loans	USD 1,493,747	1,869	1,947
McDonald's Corp. 3.13% 03-04-2025 Callable 2025	United States	Corporate - Non Convertible	170,000	170	171
MEG Energy Corp. Term Loan B 1st Lien F/R 12-31-2023	Canada	Term Loans	USD 72,319	92	93
MEG Energy Corp. 7.00% 03-31-2024 Callable 2018 144A	Canada	Corporate - Non Convertible	USD 320,000	361	342
Meredith Corp. Term Loan B 1st Lien F/R 01-18-2025	United States	Term Loans	USD 810,000	1,003	1,051
Meredith Corp. 6.88% 02-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 230,000	288	305
Metro Inc. 2.68% 12-05-2022 Callable 2022	Canada	Corporate - Non Convertible	40,000	40	40
Metro Inc. 3.39% 12-06-2027 Callable 2027	Canada	Corporate - Non Convertible	80,000	80	79
MND Holdings III Corp. Term Loan 1st Lien F/R 06-19-2024	United States	Term Loans	USD 655,945	849	855
Mondelez International Inc. 3.25% 03-07-2025 Callable 2025	United States	Corporate - Non Convertible	130,000	129	130
Mountain Province Diamonds Inc. 8.00% 12-15-2022 Callable 2019 144A	Canada	Corporate - Non Convertible	USD 110,000	137	142
Neenah Foundry Co. Term Loan B 1st Lien F/R 12-08-2022	United States	Term Loans	USD 325,875	415	418
New Arclin US Holding Corp. Term Loan 1st Lien F/R 02-14-2024	United States	Term Loans	USD 119,500	155	156
New Red Finance Inc. 4.25% 05-15-2024 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 90,000	123	111
New Red Finance Inc. 5.00% 10-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 980,000	1,216	1,209
Newell Brands Inc. 4.20% 04-01-2026 Callable 2026	United States	Corporate - Non Convertible	USD 360,000	457	460
Numericable-SFR 6.00% 05-15-2022 Callable 144A	France	Corporate - Non Convertible	USD 1,300,000	1,722	1,639
NuVista Energy Ltd. 6.50% 03-02-2023 Callable 2020	Canada	Corporate - Non Convertible	310,000	310	311
NVA Holdings Inc. 6.88% 04-01-2026 Callable 2021	United States	Corporate - Non Convertible	USD 170,000	220	221
Ocean Bidco Inc. Term Loan B 1st Lien F/R 03-02-2025	United States	Term Loans	USD 340,000	437	440
OCI Beaumont LLC Term Loan B 1st Lien F/R 02-16-2025	United States	Term Loans	USD 360,000	451	467
Office Depot Inc. Term Loan B 1st Lien F/R 11-08-2022	United States	Term Loans	USD 487,500	604	641
OMERS Realty Corp. 3.24% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	170,000	170	173
Ontario Power Generation Inc. 3.32% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	350,000	351	354
Osteon Merger Sub Inc. Term Loan B 1st Lien F/R 02-06-2025	United States	Term Loans	USD 230,000	286	299



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BONDS (cont'd)					
Parkland Fuel Corp. 5.75% 09-16-2024 Callable 2019	Canada	Corporate - Non Convertible	650,000	665	659
Parkland Fuel Corp. 6.00% 04-01-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 1,040,000	1,362	1,350
The Pasha Group Term Loan B 1st Lien F/R 12-13-2022	United States	Term Loans	USD 765,000	973	995
Pembina Pipeline Corp. 2.99% 01-22-2024 Callable 2023	Canada	Corporate - Non Convertible	890,000	885	876
Petrobras Global Finance BV 7.38% 01-17-2027	Brazil	Corporate - Non Convertible	USD 500,000	699	699
Petroleos De Venezuela SA 6.00% 05-16-2024	Venezuela	Corporate - Non Convertible	USD 795,000	253	284
PetSmart Inc. Term Loan B2 1st Lien F/R 03-10-2022	United States	Term Loans	USD 523,399	576	543
PetSmart Inc. 5.88% 06-01-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 800,000	983	750
Pisces Midco Inc. Term Loan B 1st Lien F/R 03-29-2025	United States	Term Loans	USD 620,000	795	795
PNI Canada Acquireco Corp. Term Loan B 1st Lien F/R 08-23-2022	Canada	Term Loans	USD 597,997	727	769
Premier Foods Finance PLC 6.50% 03-15-2021 Callable	United Kingdom	Corporate - Non Convertible	GBP 100,000	167	183
Prospect Medical Holdings Inc. Term Loan B 1st Lien F/R 02-15-2024	United States	Term Loans	USD 890,000	1,095	1,149
Province of Newfoundland 3.70% 10-17-2048	Canada	Provincial Governments	440,000	486	475
Province of Ontario 2.60% 09-08-2023	Canada	Provincial Governments	590,000	590	594
Province of Ontario 2.40% 06-02-2026	Canada	Provincial Governments	55,000	54	54
Province of Ontario 2.60% 06-02-2027	Canada	Provincial Governments	370,000	368	366
Province of Ontario 2.80% 06-02-2048	Canada	Provincial Governments	300,000	277	287
PS HoldCo LLC Term Loan 1st Lien F/R 03-02-2025	United States	Term Loans	USD 200,000	256	260
PSC Industrial Outsourcing LP Term Loan 2nd Lien F/R 10-05-2025	United States	Term Loans	USD 100,000	123	128
PSC Industrial Outsourcing LP Term Loan B 1st Lien F/R 10-05-2024	United States	Term Loans	USD 359,100	447	468
Q Holding Co. Term Loan B 1st Lien F/R 12-17-2021	United States	Term Loans	USD 134,222	169	175
QCP SNF West 8.13% 11-01-2023 Callable 2019 144A	United States	Corporate - Non Convertible	USD 880,000	1,162	1,179
Quebecor Media Inc. 6.625% 01-15-2023 144A	Canada	Corporate - Non Convertible	250,000	269	272
Queensland Treasury Corp. 2.75% 08-20-2027	Australia	Foreign Governments	AUD 2,375,000	2,275	2,286
Quest Software US Holdings Inc. Term Loan 1st Lien F/R 10-31-2022	United States	Term Loans	USD 59,495	77	78
Quinpario Acquisition Corp. 2 B Term Loan 1st Lien F/R 06-30-2023	United States	Term Loans	USD 187,625	238	244
R.R. Donnelley & Sons Co. 6.00% 04-01-2024	United States	Corporate - Non Convertible	USD 15,000	16	19
Rackspace Hosting Inc. 8.63% 11-15-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 1,460,000	1,969	1,862
Red Ventures LLC Term Loan B 1st Lien F/R 11-08-2024	United States	Term Loans	USD 497,500	614	647
Reliance Intermediate Holdings LP 6.50% 04-01-2023 Callable 2018 144A	Canada	Corporate - Non Convertible	USD 570,000	764	765
Reliance LP 3.84% 03-15-2025 Callable 2025	Canada	Corporate - Non Convertible	90,000	90	90
Renfro Corp. Term Loan B 1st Lien F/R 03-31-2021	United States	Term Loans	USD 740,660	918	961
Research Now Group Inc. Term Loan 1st Lien F/R 12-20-2024	United States	Term Loans	USD 807,975	988	1,036
Research Now Group Inc. Term Loan 2nd Lien F/R 12-20-2025	United States	Term Loans	USD 130,000	156	157
Resolute Forest Products Inc. 5.875% 05-15-2023	United States	Corporate - Non Convertible	USD 230,000	272	303
Rite Aid Corp. 7.70% 02-15-2027	United States	Corporate - Non Convertible	USD 800,000	933	874
Robertshaw US Holding Corp. Term Loan 1st Lien F/R 02-15-2025	United States	Term Loans	USD 150,000	187	195
Royal Bank of Canada 2.36% 12-05-2022	Canada	Corporate - Non Convertible	90,000	90	89
Russel Metals Inc. 6.00% 03-16-2026 Callable 2021	Canada	Corporate - Non Convertible	390,000	390	392
Scientific Games International Inc. 6.25% 09-01-2020 Callable	United States	Corporate - Non Convertible	USD 375,000	481	486
Sigma Bidco BV Term Loan B 1st Lien F/R 03-07-2025	Netherlands	Term Loans	EUR 500,000	796	786



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BONDS (cont'd)					
Sigma US Corp. Term Loan B 1st Lien F/R 03-06-2025	Netherlands	Term Loans	USD 500,000	644	645
SmartCentres Real Estate Investment Trust 3.83% 12-21-2027 Callable 2027	Canada	Corporate - Non Convertible	30,000	30	29
SMI Acquisition Inc. Term Loan 1st Lien F/R 10-27-2024	United States	Term Loans	USD 149,625	191	194
SNC-Lavalin Group Inc. 2.69% 11-24-2020	Canada	Corporate - Non Convertible	30,000	30	30
SNC-Lavalin Group Inc. 3.24% 03-02-2023 Callable 2023	Canada	Corporate - Non Convertible	80,000	80	80
SoftBank Group Corp. 5.38% 07-30-2022 Callable 2022	Japan	Corporate - Non Convertible	USD 250,000	323	326
SoftBank Group Corp. 4.75% 09-19-2024 Callable 2024	Japan	Corporate - Non Convertible	USD 200,000	244	250
Source Energy Services Canada LP 10.50% 12-15-2021 Callable 2018	Canada	Corporate - Non Convertible	83,000	89	91
Sprint Capital Corp. 6.875% 11-15-2028	United States	Corporate - Non Convertible	USD 390,000	528	470
Sprint Corp. 7.875% 09-15-2023	United States	Corporate - Non Convertible	USD 340,000	497	448
Sprint Corp. 7.63% 02-15-2025 Callable 2024	United States	Corporate - Non Convertible	USD 280,000	361	355
Staples Inc. Term Loan 1st Lien F/R 08-15-2024	United States	Term Loans	USD 598,500	759	765
Star West Generation LLC Term Loan B 1st Lien F/R 03-13-2020	United States	Term Loans	USD 556,546	611	654
Stepstone Group LP Term Loan B 1st Lien F/R 03-19-2025	United States	Term Loans	USD 260,000	335	337
Sun Life Financial Inc. F/R 11-23-2027 Callable 2022	Canada	Corporate - Non Convertible	80,000	80	79
Sunshine Investments BV Term Loan B3 1st Lien F/R 12-15-2024	Netherlands	Term Loans	USD 390,000	500	502
Superior Plus LP 5.25% 02-27-2024 Callable 2020	Canada	Corporate - Non Convertible	1,130,000	1,148	1,141
Syniverse Holdings Inc. Term Loan 1st Lien F/R 02-09-2023	United States	Term Loans	USD 200,000	249	261
Talen Energy Supply LLC 9.50% 07-15-2022 Callable 2020 144A	United States	Corporate - Non Convertible	USD 940,000	1,130	1,181
Talen Energy Supply LLC 10.50% 01-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 150,000	187	167
Team Health Holdings Inc. 6.38% 02-01-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 300,000	393	333
Telenet Finance Luxembourg Notes Sarl 5.50% 03-01-2028 Callable 2022 144A	Belgium	Corporate - Non Convertible	USD 200,000	257	248
TELUS Corp. 3.63% 03-01-2028 Callable 2027	Canada	Corporate - Non Convertible	90,000	89	90
Tenet Healthcare Corp. 6.75% 06-15-2023	United States	Corporate - Non Convertible	USD 694,000	867	878
TerraForm Power Operating LLC 5.00% 01-31-2028 Callable 2027 144A	United States	Corporate - Non Convertible	USD 740,000	950	908
Teva Pharmaceutical Finance Netherlands III BV 3.15% 10-01-2026 Callable	Israel	Corporate - Non Convertible	USD 644,000	669	667
Titan Acquisition Ltd. Term Loan 1st Lien F/R 03-16-2025	United Kingdom	Term Loans	USD 620,000	810	798
Titan Acquisition Ltd. 7.75% 04-15-2026 Callable 2021 144A	United Kingdom	Corporate - Non Convertible	USD 1,300,000	1,703	1,674
T-Mobile USA Inc. 6.50% 01-15-2024 Callable 2019	United States	Corporate - Non Convertible	USD 337,000	486	456
TMX Group Ltd. 2.30% 12-11-2024 Callable 2024	Canada	Corporate - Non Convertible	80,000	80	79
The Toronto-Dominion Bank F/R 07-25-2029 Callable 2024	Canada	Corporate - Non Convertible	40,000	40	40
Tortoise Borrower LLC Term Loan 1st Lien F/R 11-20-2024	United States	Term Loans	USD 180,000	229	235
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	140,000	140	138
Traverse Midstream Partners LLC Term Loan B 1st Lien F/R 09-21-2024	United States	Term Loans	USD 1,000,000	1,228	1,297
Treasury Corp. of Victoria 3.00% 10-20-2028	Australia	Foreign Governments	AUD 1,025,000	1,020	1,011
Trico Products Corp. Term Loan 1st Lien F/R 02-02-2024	United States	Term Loans	USD 450,000	541	584
Uber Technologies Inc. Term Loan 1st Lien F/R 03-21-2025	United States	Term Loans	USD 800,000	1,029	1,037
Uber Technologies Inc. Term Loan B 1st Lien F/R 07-13-2023	United States	Term Loans	USD 1,257,002	1,612	1,628
Union Gas Ltd. 3.59% 11-22-2047 Callable 2047	Canada	Corporate - Non Convertible	90,000	90	90
United Kingdom Treasury 4.25% 12-07-2027	United Kingdom	Foreign Governments	GBP 800,000	1,731	1,825



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BONDS (cont'd)					
United States Treasury Inflation Indexed 0.89% 02-15-2047	United States	Foreign Governments	USD 2,680,000	3,313	3,521
United States Treasury 2.25% 11-15-2027	United States	Foreign Governments	USD 5,510,000	6,645	6,802
Valeant Pharmaceuticals International Inc. 5.63% 12-01-2021 Callable 144A	United States	Corporate - Non Convertible	USD 615,000	720	760
Valeant Pharmaceuticals International Inc. 9.00% 12-15-2025 Callable 2021	United States	Corporate - Non Convertible	USD 370,000	463	475
VCVH Holding Corp. Term Loan 1st Lien F/R 05-10-2023	United States	Term Loans	USD 123,555	165	161
Ventas Canada Finance Ltd. 2.55% 03-15-2023 Callable 2023	United States	Corporate - Non Convertible	900,000	889	880
Videotron Ltee 5.75% 01-15-2026 Callable 2020	Canada	Corporate - Non Convertible	1,750,000	1,854	1,837
Vistage Worldwide Inc. Term Loan 1st Lien F/R 02-01-2025	United States	Term Loans	USD 380,000	474	493
WellDyneDx Inc. Term Loan 1st Lien F/R 08-16-2022	United States	Term Loans	USD 450,033	559	573
Werner FinCo LP Term Loan 1st Lien F/R 06-23-2024	United States	Term Loans	USD 1,068,075	1,358	1,386
Western Dental Services Inc. Term Loan B 1st Lien F/R 06-23-2023	United States	Term Loans	USD 992,500	1,271	1,294
Williams Scotsman International Inc. 7.88% 12-15-2022 Callable 2019 144A	United States	Corporate - Non Convertible	USD 270,000	359	361
Wind Tre SPA 5.00% 01-20-2026 Callable 2020	Italy	Corporate - Non Convertible	USD 880,000	992	969
Windstream Services LLC Term Loan B6 1st Lien F/R 03-16-2021	United States	Term Loans	USD 210,543	279	262
YRC Worldwide Inc. Term Loan 1st Lien F/R 07-21-2022	United States	Term Loans	USD 246,132	306	320
Zotec Partners LLC Term Loan 1st Lien F/R 02-09-2024	United States	Term Loans	USD 540,000	673	696
Total bonds				195,575	196,862
EQUITIES					
AltaGas Ltd. Pfd. Series K	Canada	Energy	16,283	417	413
Brookfield Asset Management Inc. Pfd. Series 46	Canada	Real Estate	7,172	186	185
Brookfield Asset Management Inc. Pfd. Series 48	Canada	Real Estate	30,928	776	786
Brookfield Renewable Partners LP Pfd. Series 11	Canada	Utilities	8,811	220	222
Brookfield Renewable Partners LP Pfd. Series 13	Canada	Utilities	32,800	820	825
Enbridge Inc. 5.15% Cum. Red. Pfd. Series 17	Canada	Energy	1,100	29	28
Husky Energy Inc. 4.45% 12-31-2049 Pfd. Series 1	Canada	Energy	42,820	709	762
Shaw Communications Inc. Pfd Series A	Canada	Consumer Discretionary	20,680	336	379
Source Energy Services Ltd.	Canada	Energy	771	—	4
TransAlta Corp. Pfd. Series A	Canada	Utilities	28,079	389	417
TransCanada Corp. Pfd. Series 15	Canada	Energy	11,611	301	302
Total equities				4,183	4,323



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OPTIONS					
Options purchased (see schedule of options purchased)				1,371	1,177
Total options				1,371	1,177
EXCHANGE-TRADED FUNDS/NOTES					
Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged)	Canada	Exchange-Traded Funds/Notes	35,970	3,578	3,535
Total exchange-traded funds/notes				3,578	3,535
Transaction costs				(30)	—
Total investments				204,677	205,897
Derivative instruments (see schedule of derivative instruments)					(1,823)
Cash and cash equivalents					40,606
Other assets less liabilities					(7,317)
Total net assets					237,363



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SUMMARY OF INVESTMENT PORTFOLIO

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Portfolio Allocation	% of NAV
Bonds	83.4
<i>Bonds</i>	82.9
<i>Purchased options</i>	0.5
<i>Short futures</i>	(0.0)
Cash and short-term investments	17.1
Equities	1.8
Exchange-traded funds/notes	1.5
Other assets (liabilities)	(3.8)

Regional Allocation	
Regional Allocation	% of NAV
United States	44.1
Canada	29.5
Cash and short-term investments	17.1
Other	2.4
United Kingdom	2.1
Netherlands	1.6
Australia	1.4
Brazil	1.1
Bahamas	1.0
France	0.8
Colombia	0.6
Luxembourg	0.5
Ireland	0.4
Italy	0.4
Russia	0.4
Aruba	0.4
Other assets (liabilities)	(3.8)

Sector Allocation	
Sector Allocation	% of NAV
Corporate bonds	34.7
Term loans	25.7
Cash and short-term investments	17.1
Federal bonds	12.3
Foreign government bonds	9.5
Exchange-traded funds/notes	1.5
Provincial bonds	0.7
Energy	0.6
Utilities	0.6
Other	0.5
Financials	0.4
Consumer discretionary	0.2
Other assets (liabilities)	(3.8)

March 31, 2017	
Portfolio Allocation	% of NAV
Bonds	94.6
<i>Bonds</i>	94.3
<i>Purchased options</i>	0.3
<i>Short futures</i>	(0.0)
Cash and short-term investments	7.6
Equities	3.8
Other assets (liabilities)	(6.0)

Regional Allocation	
Regional Allocation	% of NAV
United States	52.9
Canada	30.7
Cash and short-term investments	7.6
Ireland	3.7
Netherlands	2.4
Luxembourg	2.1
Denmark	1.3
Mexico	1.1
France	0.9
Bahamas	0.9
Other	0.9
United Kingdom	0.8
Portugal	0.7
Other assets (liabilities)	(6.0)

Sector Allocation	
Sector Allocation	% of NAV
Corporate bonds	41.8
Term loans	24.4
Foreign government bonds	12.4
Federal bonds	9.7
Cash and short-term investments	7.6
Provincial bonds	6.0
Utilities	1.5
Energy	1.5
Consumer discretionary	0.4
Telecommunication services	0.3
Other	0.3
Real estate	0.1
Other assets (liabilities)	(6.0)



MACKENZIE
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MACKENZIE UNCONSTRAINED BOND ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE FIXED INCOME ETF

SCHEDULE OF OPTIONS PURCHASED

As at March 31, 2018

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Paid (\$ 000s)	Fair Value (\$ 000s)
iShares iBoxx \$ High Yield Corporate Bond ETF	29	Put	Jun. 15, 2018	84 USD	6	4
iShares iBoxx \$ High Yield Corporate Bond ETF	1,687	Put	Jun. 15, 2018	85 USD	437	304
iShares iBoxx \$ High Yield Corporate Bond ETF	2,098	Put	Sep. 21, 2018	83 USD	526	489
iShares iBoxx \$ High Yield Corporate Bond ETF	1,091	Put	Sep. 21, 2018	85 USD	402	380
Total options					1,371	1,177



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MACKENZIE UNCONSTRAINED BOND ETF

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SCHEDULE OF DERIVATIVE INSTRUMENTS

As at March 31, 2018

Schedule of Futures Contracts

Number of Contracts	Type of Contract	Expiration Date	Average Rate of Contracts (\$)	Notional Value* (\$ 000s)	Unrealized (Losses) (\$ 000s)
(15)	10 Year Swedish Government Bond Futures June 2018	June 14, 2018	150.81 SEK	(3,490)	(28)
Unrealized (Losses)				(3,490)	(28)
Total futures contracts				(3,490)	(28)

*Notional value represents the exposure to the underlying instruments as at March 31, 2018

Schedule of Forward Currency Contracts

Counterparty Credit Rating	Bought (\$ 000s)	Sold (\$ 000s)	Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized Gains (Losses) (\$ 000s)	
A	4,775	Mexican peso (316)	Canadian dollar	Apr. 06, 2018	316	338	22
AA	25	British pound (44)	Canadian dollar	Apr. 11, 2018	44	45	1
AA	575	Canadian dollar (440)	U.S. dollar	Apr. 13, 2018	(575)	(567)	8
A	436	Canadian dollar (438)	Australian dollar	May 09, 2018	(436)	(433)	3
AA	17,328	Canadian dollar (13,452)	U.S. dollar	Jun. 22, 2018	(17,328)	(17,304)	24
AA	20,363	Canadian dollar (15,650)	U.S. dollar	Jun. 29, 2018	(20,363)	(20,129)	234
AA	574	Canadian dollar (440)	U.S. dollar	Jun. 29, 2018	(574)	(566)	8
Unrealized Gains						300	
A	313	Canadian dollar (4,775)	Mexican peso	Apr. 06, 2018	(313)	(338)	(25)
A	1,034	Canadian dollar (15,275)	Mexican peso	Apr. 06, 2018	(1,034)	(1,082)	(48)
AA	1,895	Canadian dollar (1,122)	British pound	Apr. 11, 2018	(1,895)	(2,028)	(133)
AA	628	Canadian dollar (500)	U.S. dollar	Apr. 13, 2018	(628)	(644)	(16)
AA	2,328	Canadian dollar (1,860)	U.S. dollar	Apr. 13, 2018	(2,328)	(2,396)	(68)
AA	11,077	Canadian dollar (8,852)	U.S. dollar	Apr. 20, 2018	(11,077)	(11,401)	(324)
AA	1,097	Canadian dollar (703)	Euro	Apr. 20, 2018	(1,097)	(1,115)	(18)
AA	3,219	Canadian dollar (2,530)	U.S. dollar	Apr. 20, 2018	(3,219)	(3,258)	(39)
AA	7,693	Canadian dollar (6,000)	U.S. dollar	Apr. 20, 2018	(7,693)	(7,728)	(35)
AA	1,970	Canadian dollar (1,530)	U.S. dollar	Apr. 20, 2018	(1,970)	(1,971)	(1)
A	984	Canadian dollar (800)	U.S. dollar	Apr. 27, 2018	(984)	(1,030)	(46)
A	2,572	Canadian dollar (2,000)	U.S. dollar	Apr. 27, 2018	(2,572)	(2,576)	(4)
A	2,827	Canadian dollar (2,860)	Australian dollar	May 09, 2018	(2,827)	(2,828)	(1)
AA	16,181	Canadian dollar (12,940)	U.S. dollar	May 11, 2018	(16,181)	(16,659)	(478)
AA	3,218	Canadian dollar (2,530)	U.S. dollar	May 11, 2018	(3,218)	(3,257)	(39)
AA	13,978	Canadian dollar (11,400)	U.S. dollar	May 18, 2018	(13,978)	(14,675)	(697)
AA	1,131	Canadian dollar (880)	U.S. dollar	May 18, 2018	(1,131)	(1,133)	(2)



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MACKENZIE UNCONSTRAINED BOND ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE FIXED INCOME ETF

SCHEDULE OF DERIVATIVE INSTRUMENTS (cont'd)

As at March 31, 2018

Schedule of Forward Currency Contracts (cont'd)

Counterparty Credit Rating	Bought (\$ 000s)		Sold (\$ 000s)		Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized (Losses) (\$ 000s)
AA	4,073	Canadian dollar	(3,240)	U.S. dollar	Jun. 08, 2018	(4,073)	(4,169)	(96)
AA	4,388	Canadian dollar	(3,420)	U.S. dollar	Jun. 15, 2018	(4,388)	(4,400)	(12)
AA	1,130	Canadian dollar	(880)	U.S. dollar	Jun. 15, 2018	(1,130)	(1,132)	(2)
AA	1,131	Canadian dollar	(880)	U.S. dollar	Jun. 22, 2018	(1,131)	(1,132)	(1)
A	1,128	Canadian dollar	(880)	U.S. dollar	Jul. 13, 2018	(1,128)	(1,132)	(4)
AA	1,130	Canadian dollar	(880)	U.S. dollar	Jul. 13, 2018	(1,130)	(1,132)	(2)
A	24	Canadian dollar	(350)	Mexican peso	Jul. 13, 2018	(24)	(24)	–
AA	1,130	Canadian dollar	(880)	U.S. dollar	Jul. 20, 2018	(1,130)	(1,131)	(1)
AA	1,128	Canadian dollar	(880)	U.S. dollar	Jul. 27, 2018	(1,128)	(1,131)	(3)
Unrealized (Losses)								(2,095)
Total forward currency contracts								(1,795)
Total derivative instruments at fair value								(1,823)



MACKENZIE
Investments

NOTES TO FINANCIAL STATEMENTS

1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the periods ended or as at March 31, 2018 and 2017, as applicable. In the year an exchange-traded fund (“the ETF”) is established, ‘period’ represents the period from inception to the period end of that fiscal year. Refer to Note 10 for the formation date of the ETF.

The ETF 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 ETF’s registered office is 180 Queen Street West, Toronto, Ontario, Canada. The ETF is authorized to issue an unlimited number of units for sale under a Prospectus. The units of the ETF are listed on the Toronto Stock Exchange/Aequitas NEO Exchange (“the Exchange”).

Mackenzie Financial Corporation (“Mackenzie”) is the manager of the ETF and is wholly owned by IGM Financial Inc., a subsidiary of Power Financial Corporation, which itself is a subsidiary of Power Corporation of Canada. Investments in companies within the Power Group of companies held by the ETF are identified in the Schedule of Investments.

2. Basis of Preparation and Presentation

These audited annual financial statements (“financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). A summary of the ETF’s significant accounting policies under IFRS is presented in Note 3.

These financial statements are presented in Canadian dollars, which is the ETF’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 assets and liabilities that have been measured at fair value.

These financial statements were authorized for issue by the Board of Directors of Mackenzie Financial Corporation on June 7, 2018.

Standards issued but not yet effective for the current accounting year, as applicable, are described in Note 3.

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 ETF 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 ETF 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 ETF has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation is discharged, cancelled or expires. As such, 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 – Net unrealized gain (loss).

The ETF’s redeemable units are held by different types of unitholders that are entitled to different redemption rights. Unitholders may redeem units of the ETF at a redemption price per unit equal to 95% of the closing price of the units on the Exchange on the effective day of the redemption, subject to a maximum redemption price of the applicable NAV per unit. These different redemption features create equally subordinate but not identical units of the ETF which therefore meet the criteria for classification as financial liabilities under IAS 32, *Financial Instruments: Presentation*. The ETF’s obligation for net assets attributable to unitholders is presented at the redemption amount. Refer to Note 7 for details of subscriptions and redemptions of the ETF’s units.

IAS 7, *Statement of Cash Flows*, requires disclosures related to changes in liabilities and assets, such as the units of the ETF, arising from financing activities. Changes in units of the ETF, including both changes from cash flows and non-cash changes, are included in the Statement of Changes in Financial Position. Any changes in the units not settled in cash as at the end of the period are presented as either Accounts receivable for units issued or Accounts payable for units redeemed in the Statement of Financial Position. These accounts receivable and accounts payable amounts typically settle shortly after year-end.

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.

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(a) Financial instruments (cont'd)

The ETF accounts for its holdings in unlisted open-ended investment funds and exchange-traded funds, if any, at fair value through profit and loss. Mackenzie has concluded that any unlisted open-ended investment fund and exchange-traded funds in which the ETF invests, does not meet either the definition of a structured entity or the definition of an associate.

(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.

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 constating 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.

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

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 ETF 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 ETF 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 ETF 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 ETF's portfolio manager(s), provided that the use of the derivative is consistent with the ETF's investment objectives. Any use of derivatives will comply with Canadian mutual fund laws, subject to the regulatory exemptions granted to the ETF, 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 – Net unrealized gain (loss).

The value of futures contracts or swaps fluctuates daily, and cash settlements made daily, where applicable, by the ETF are equal to the unrealized gains or losses on a "mark to market" basis. These unrealized gains or losses are recorded and reported as such until the ETF 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 futures contracts or swaps. Any change in the variation margin requirement is settled daily.

Premiums received from writing options are included in the Statement of Financial Position as a liability and subsequently adjusted daily to fair value. If a written option expires unexercised, the premium received is recognized as a realized gain. If a written call option is exercised, the difference between the proceeds of the sale plus the value of the premium, and the cost of the security is recognized as a realized gain or loss. If a written put option is exercised, the cost of the security acquired is the exercise price of the option less the premium received.

Refer to the Schedule of Derivative Instruments and Schedule of Options Purchased/Written, as applicable, included in the Schedule of Investments for a listing of derivative and options positions as at March 31, 2018.

(c) Income recognition

Interest income from interest bearing investments is recognized using the effective interest method. Dividends are accrued as of the ex-dividend date. 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 or realized gains (losses) on sale of investments, as appropriate.

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(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, advisers, brokers and dealers. 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 third-party services that were paid for by brokers during the periods is disclosed in Note 10. The value of certain proprietary services provided by brokers cannot be reasonably estimated. Mackenzie may reimburse the ETF for certain commissions and other portfolio transaction costs. Mackenzie may make these reimbursements at its discretion and stop these reimbursements at any time without notice. Any such reimbursements are included in expenses absorbed by Manager in the Statement of Comprehensive Income.

(e) Securities lending, repurchase and reverse repurchase transactions

The ETF is permitted to enter into securities lending, repurchase and reverse repurchase transactions as set out in the ETF's Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date. Securities lending transactions are administered by Canadian Imperial Bank of Commerce (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. 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 – Securities lending income and recognized when earned.

Note 10 summarizes the details of securities loaned and collateral received, as well as a reconciliation of securities lending income, if applicable.

(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 ETF 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.

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 ETF.

(g) Foreign currency

The functional and presentation currency of the ETF 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 – 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 unitholders per unit

Net assets attributable to unitholders per unit is computed by dividing the net assets attributable to unitholders on a business day by the total number of units outstanding on that day.

(i) Net asset value per unit

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 unitholders (as reported in the financial statements), if any, is mainly due to differences in fair value of investments and other financial assets and liabilities. Refer to Note 10 for the ETF's NAV per unit.

(j) Increase (decrease) in net assets attributable to unitholders from operations per unit

Increase (decrease) in net assets attributable to unitholders from operations per unit in the Statement of Comprehensive Income represents the increase (decrease) in net assets attributable to unitholders from operations for the period, divided by the weighted average number of units outstanding during the period.

NOTES TO FINANCIAL STATEMENTS

4. Critical Accounting Estimates and Judgments

The preparation of these financial statements requires management to make estimates and assumptions that primarily affect the valuation of investments. Estimates and assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates.

Use of Estimates

Fair value of securities not quoted in an active market

The ETF 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 ETF.

Use of Judgments

Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments held by the ETF, Mackenzie is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9. Mackenzie has assessed the ETF'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 ETF's financial instruments.

Functional currency

The ETF's functional and presentation currency is the Canadian dollar, which is the currency considered to best represent the economic effects of the ETF's underlying transactions, events and conditions taking into consideration the manner in which units are issued and redeemed and how returns and performance by the ETF are measured.

Structured entities and associates

In determining whether an unlisted open-ended investment fund or an exchange-traded fund in which the ETF invests, but that it does not consolidate, meets the definitions of either a structured entity or of an associate, Mackenzie is required to make significant judgments about whether these underlying funds have the typical characteristics of a structured entity or of an associate. Mackenzie has assessed the characteristics of these underlying funds and has concluded that they do not meet the definition of either a structured entity or of an associate because the ETF does not have contracts or financing arrangements with these underlying funds and the ETF does not have an ability to influence the activities of these underlying funds or the returns it receives from investing in these underlying funds.

5. Income Taxes

The ETF 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 unitholders as at the end of the taxation year. It is the intention of the ETF to distribute all of its net income and sufficient net realized capital gains so that the ETF will not be subject to income taxes other than foreign withholding taxes, if applicable.

Losses of the ETF cannot be allocated to investors and are retained in the ETF 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 ETF'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 and making brokerage arrangements relating to the purchase and sale of the investment portfolio. The management fee is calculated as a fixed annual percentage of the daily net asset value of the units of the ETF.

NOTES TO FINANCIAL STATEMENTS

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

In addition to the applicable management fee, the operating expenses payable by the ETF include interest and borrowing costs, brokerage expenses and related transaction fees, fees and expenses relating to the operation of the Mackenzie ETFs' Independent Review Committee (IRC), fees under any derivative instrument used by the ETF, cost of complying with the regulatory requirement to produce summary documents, ETF facts or other similar disclosure documents, the costs of complying with governmental or regulatory requirements introduced after the date of the most recently filed prospectus, including, without limitation, any new fees or increases in fees, the fees related to external services that are not commonly charged in the Canadian exchange-traded fund industry after the date of the most recently filed prospectus, fees paid to external service providers associated with tax reclaims, refunds or the preparation of foreign tax reports on behalf of the ETFs, fees paid to external legal counsel and/or others in connection with corporate or other actions affecting the portfolio holdings of the ETF, and any applicable taxes, including income, withholding or other taxes and also including G.S.T. or H.S.T. on expenses.

Mackenzie may waive or absorb management fees and operating expenses at its discretion and stop waiving or absorbing such fees at any time without notice. Mackenzie may charge a reduced management fee rate with respect to investments in the ETF by large investors, including other funds managed by Mackenzie or affiliates of Mackenzie. An amount equal to the difference between the fee otherwise chargeable and the reduced fee will be distributed in cash to those unitholders by the ETF as a management fee distribution. Refer to Note 10 for the management fee rates charged to units of the ETF.

7. Units and Unit Transactions

Mackenzie, on behalf of the ETF, has entered into a designated broker agreement with one or more designated brokers pursuant to which the designated broker has agreed to perform certain duties relating to the ETF including, without limitation: (i) to subscribe for a sufficient number of units to satisfy the Exchange's original listing requirements; (ii) to subscribe for units on an ongoing basis in connection with any rebalancing event, as applicable, and when cash redemptions of units occur; and (iii) to post a liquid two-way market for the trading of units on the Exchange. In accordance with the designated broker agreement, Mackenzie may from time to time require the designated broker to subscribe for units of the ETF for cash.

The number of units issued for subscription orders (the "Prescribed Number of Units") is determined by Mackenzie. On any trading day, a designated broker may place a subscription or redemption order for an integral multiple of the Prescribed Number of Units of the ETF based on the NAV per unit determined on the applicable trading day. A trading day is each day on which the Exchange is opened for business.

Generally, all orders to purchase units directly from an ETF must be placed by a designated broker or a dealer. The ETF reserves the absolute right to reject any subscription order placed by a designated broker or a dealer. No fees will be payable by the ETF to a designated broker or a dealer in connection with the issuance of units. On the issuance of units, an amount may be charged to a designated broker or a dealer to offset the expenses incurred in issuing the units.

For each Prescribed Number of Units issued, a dealer must deliver payment consisting of: (i) a basket of securities and cash equal to the aggregate NAV per unit of the Prescribed Number of Units next determined following the receipt of the subscription order; (ii) cash in an amount equal to the aggregate NAV per unit of the Prescribed Number of Units next determined following the receipt of the subscription order; or (iii) a combination of securities and cash, as determined by Mackenzie, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate NAV per unit of the Prescribed Number of Units next determined following the receipt of the subscription order.

8. ETF's Capital

The capital of the ETF is comprised of the net assets attributable to unitholders. The units outstanding for the ETF as at March 31, 2018 and 2017 and units issued, reinvested and redeemed for the periods are presented in the Statement of Changes in Financial Position. Mackenzie manages the capital of the ETF in accordance with the investment objectives as discussed in Note 10.

9. Financial Instruments Risk

i. Risk exposure and management

The ETF's investment activities expose it to a variety of financial risks, as defined in IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7"). The ETF's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, as at March 31, 2018, grouped by asset type, with geographic and sector information.

Mackenzie seeks to minimize potential adverse effects of financial risks on the ETF's performance by employing professional, experienced portfolio advisors, by monitoring the ETF's positions and market events daily, by diversifying the investment portfolio within the constraints of the ETF'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 ETF's investment activities and monitors compliance with the ETF's stated investment strategy, internal guidelines, and securities regulations.

NOTES TO FINANCIAL STATEMENTS

9. Financial Instruments Risk (cont'd)

ii. Liquidity risk

Liquidity risk arises when the ETF encounters difficulty in meeting its financial obligations as they come due. The ETF is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. In accordance with securities regulations, the ETF must maintain at least 90% of its assets in liquid investments (i.e., investments that can be readily sold). The ETF also has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions and an additional 5% of its net assets for the purpose of funding distributions paid to its investors.

iii. Currency risk

Currency risk arises when the fair value of financial instruments that are denominated in a currency other than the Canadian dollar, which is the ETF's reporting currency, fluctuates due to changes in exchange rates. Note 10 summarizes the ETF's exposure, if applicable and significant, to currency risk.

iv. Interest rate risk

Interest rate risk arises when the fair value of interest-bearing financial instruments fluctuates due to changes in the prevailing levels of market interest rates. Cash and cash equivalents do not expose the ETF to significant amounts of interest rate risk. Note 10 summarizes the ETF's exposure, if applicable and significant, to interest rate risk.

v. Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. This risk is managed through a careful selection of investments and other financial instruments within the parameters of the investment strategies. Except for certain derivative contracts, the maximum risk resulting from financial instruments is equivalent to their fair value. The maximum risk of loss on certain derivative contracts such as forwards, swaps, and futures contracts is equal to their notional values. In the case of written call (put) options and short futures contracts, the loss to the ETF continues to increase, 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 ETF. This risk is mitigated by ensuring that the ETF 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. Note 10 summarizes the ETF's exposure, if applicable and significant, to other price risk.

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

All transactions in listed securities are executed with approved brokers. 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 ETF 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 ETFs

The ETF may invest in underlying ETFs 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 ETFs. Note 10 summarizes the ETF's exposure, if applicable and significant, to these risks from underlying ETF.

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NOTES TO FINANCIAL STATEMENTS

10. ETF Specific Information *(in '000s, except for (a))*

(a) ETF Formation and Series Information

Date of Formation April 1, 2016

The ETF may issue an unlimited number of units. The number of issued and outstanding units is disclosed in the Statements of Changes in Financial Position.

Series E units were listed on the TSX under the symbol MUB on April 19, 2016. The closing market price, or the midpoint of the bid and ask prices in the absence of a closing market price, at March 31, 2018 was \$20.96 (2017 – \$21.15).

The management fee rate for Series E units is 0.55%.

As at March 31, 2018 and 2017, the ETF's NAV per unit was \$20.96 (2017 – \$21.15) and its Net Assets per unit calculated in accordance with IFRS was \$20.82 (2017 – \$21.07).

(b) Loss Carryforwards

As at the last taxation year-end, there were no capital and non-capital losses available to carry forward for tax purposes.

(c) Securities Lending

The value of securities loaned and collateral received from securities lending at March 31, 2018 and 2017 were as follows:

	March 31, 2018	March 31, 2017
	(\$)	(\$)
Value of securities loaned	22,135	179
Value of collateral received	23,328	188

Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments and financial institutions.

A reconciliation of the gross amount generated from the securities lending transactions to the security lending income to the ETF for the periods ended March 31, 2018 and 2017 is as follows:

	2018		2017	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	57	100.0	–	–
Tax withheld	(15)	(26.3)	–	–
	42	73.7	–	–
Payments to Securities Lending Agent	(11)	(19.3)	–	–
Securities lending income	31	54.4	–	–

(d) Offsetting of Financial Assets and Liabilities

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

	March 31, 2018			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	8	(8)	–	–
Unrealized losses on derivative contracts	(813)	8	114	(691)
Liability for options written	–	–	–	–
Total	(805)	–	114	(691)

As at March 31, 2017, there were no amounts subject to offsetting.



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

(e) Risks Associated with Financial Instruments

i. Risk exposure and management

The ETF seeks a positive total return over a market cycle, regardless of market conditions, by investing primarily in fixed income securities of issuers anywhere in the world and in derivative instruments.

ii. Currency risk

The table below indicates currencies to which the ETF had significant exposure as at period end in Canadian dollar terms, including the underlying principal amount of any derivative instruments. Other financial assets and liabilities (including accrued interest and dividends receivable, and receivables/payables for investments sold/purchased) that are denominated in foreign currencies do not expose the ETF to significant currency risk.

March 31, 2018				
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	130,976	3,130	(120,653)	13,453
Brazilian real	1,512	–	–	1,512
Russian ruble	1,066	–	–	1,066
Indian rupee	917	–	–	917
Euro	1,914	–	(1,115)	799
Turkish lira	512	–	–	512
Australian dollar	3,297	–	(3,261)	36
British pound	2,008	–	(1,983)	25
Mexican peso	1,116	–	(1,106)	10
Swedish krona	–	94	(3,490)	(3,396)
Total	143,318	3,224	(131,608)	14,934
% of Net Assets	60.4	1.4	(55.4)	6.4

March 31, 2017				
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	18,762	794	(14,919)	4,637
Euro	1,738	4	(1,725)	17
British pound	169	–	(167)	2
Mexican peso	311	–	(310)	1
Danish krone	377	–	(381)	(4)
Total	21,357	798	(17,502)	4,653
% of Net Assets	72.4	2.7	(59.3)	15.8

* Includes both monetary and non-monetary financial instruments

As at March 31, 2018, had the Canadian dollar increased or decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$747 or 0.3% of total net assets (2017 – \$233 or 0.8%). In practice, the actual trading results may differ and the difference could be material.



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10. ETF Specific Information *(in '000s, except for (a)) (cont'd)*

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

iii. Interest rate risk

The table below summarizes the ETF's exposure to interest rate risks from its investments in bonds and derivative instruments by term to maturity.

Term to Maturity	March 31, 2018 (\$)		March 31, 2017 (\$)	
	Bonds	Derivative Instruments	Bonds	Derivative Instruments
Less than 1 year	151	(3,490)	–	(331)
1-5 years	48,174	–	8,181	–
5-10 years	134,987	–	16,767	–
Greater than 10 years	13,550	–	2,868	–
Total	196,862	(3,490)	27,816	(331)

As at March 31, 2018, had prevailing interest rates increased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased by approximately \$8,957 or 3.8% (2017 – \$1,262 or 4.3%) of total net assets. Similarly, had prevailing interest rates decreased by 1%, with all other variables held constant, net assets would have increased by approximately \$9,147 or 3.9% (2017 – \$1,262 or 4.3%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

iv. Other price risk

As at March 31, 2018 and 2017, the ETF did not have a significant exposure to price risk.

v. Credit risk

The ETF's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum exposure to any one debt issuer as at March 31, 2018, was 12.3% of the net assets of the ETF. (2017 – 9.7%)

As at March 31, 2018 and 2017, debt securities by credit rating are as follows:

Bond Rating*	March 31, 2018	March 31, 2017
	% of Net Assets	% of Net Assets
AAA	17.9	18.0
AA	2.7	5.5
A	2.2	4.3
BBB	5.6	2.3
BB	16.5	22.4
B	26.1	31.3
Less than B	5.9	6.2
Unrated	6.0	4.3
Total	82.9	94.3

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

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10. ETF Specific Information *(in '000s, except for (a)) (cont'd)*

(f) Fair Value Classification

The table below summarizes the fair value of the ETF's financial instruments using the following fair value hierarchy:

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; 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.

	March 31, 2018				March 31, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	196,862	–	196,862	457	27,359	–	27,816
Equities	4,323	–	–	4,323	1,113	–	–	1,113
Options	1,177	–	–	1,177	102	–	–	102
Exchange-traded funds/notes	3,535	–	–	3,535	–	–	–	–
Derivative assets	–	300	–	300	–	27	–	27
Derivative liabilities	(28)	(2,095)	–	(2,123)	–	(195)	–	(195)
Short-term investments	–	9,305	–	9,305	–	–	–	–
Total	9,007	204,372	–	213,379	1,672	27,191	–	28,863

The ETF'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, there were no significant transfers between Level 1 and Level 2.

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.



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