

Interim Unaudited Financial Statements

For the Six-Month Period Ended September 30, 2018

These Interim Unaudited Financial Statements do not contain the Interim Management Report of Fund Performance (“MRFP”) of the ETF. You may obtain a copy of the Interim MRFP, at no cost, by calling the toll-free number 1-800-387-0614, by writing to us at Mackenzie Financial Corporation, 180 Queen Street West, Toronto, Ontario M5V 3K1, by visiting our website at www.mackenzieinvestments.com or by visiting the SEDAR website at www.sedar.com. Copies of the Annual Financial Statements or Annual MRFP may also be obtained, at no cost, using any of the methods outlined above.

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

NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS

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

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



MACKENZIE MAXIMUM DIVERSIFICATION DEVELOPED EUROPE INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2018

STRATEGIC BETA INDEX ETF

STATEMENTS OF FINANCIAL POSITION

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

	Sep. 30 2018	Mar. 31 2018 (Audited)
	\$	\$
ASSETS		
Current assets		
Investments at fair value	72,019	80,557
Cash and cash equivalents	447	347
Dividends receivable	135	194
Accounts receivable for investments sold	–	105
Accounts receivable for units issued	–	–
Due from manager	–	41
Total assets	72,601	81,244
LIABILITIES		
Current liabilities		
Accounts payable for investments purchased	–	395
Accounts payable for units redeemed	–	–
Distribution payable	264	–
Due to manager	51	102
Total liabilities	315	497
Net assets attributable to unitholders	72,286	80,747
Net assets attributable to unitholders per series (note 3)		
Series E	72,286	80,747
Net assets attributable to unitholders per unit (note 3)		
Series E	22.59	23.07

STATEMENTS OF COMPREHENSIVE INCOME

*For the periods ended September 30 (note 1)
In thousands (except per unit figures)*

	2018 \$	2017 \$
Income		
Dividends	2,118	145
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	384	(58)
Net unrealized gain (loss)	(2,152)	24
Securities lending income	28	–
Other	48	59
Total income (loss)	426	170
Expenses (note 6)		
Management fees	266	39
Management fee rebates	(16)	(3)
Commissions and other portfolio transaction costs	115	83
Independent Review Committee fees	–	–
Expenses before amounts absorbed by Manager	365	119
Expenses absorbed by Manager	–	16
Net expenses	365	103
Increase (decrease) in net assets attributable to unitholders from operations before tax	61	67
Foreign withholding taxes	188	20
Foreign income taxes paid (recovered)	–	–
Increase (decrease) in net assets attributable to unitholders from operations	(127)	47
Increase (decrease) in net assets attributable to unitholders from operations per series		
Series E	(127)	47
Increase (decrease) in net assets attributable to unitholders from operations per unit		
Series E	(0.04)	0.09

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 September 30 (note 1)
In thousands

	2018	2017
	Series E	
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	\$	
Beginning of period	80,747	4,199
Increase (decrease) in net assets from operations	(127)	47
Distributions paid to unitholders:		
Investment income	(1,194)	(134)
Capital gains	–	–
Management fee rebates	(16)	(3)
Total distributions paid to unitholders	(1,210)	(137)
Unit transactions:		
Proceeds from units issued	4,619	15,634
Reinvested distributions	–	–
Payments on redemption of units	(11,743)	–
Total unit transactions	(7,124)	15,634
Total increase (decrease) in net assets	(8,461)	15,544
End of period	72,286	19,743
	Units	
Increase (decrease) in units (note 7):		
Units outstanding – beginning of period	3,500	200
Issued	200	700
Reinvested distributions	–	–
Redeemed	(500)	–
Units outstanding – end of period	3,200	900

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STATEMENTS OF CASH FLOWS

For the periods ended September 30 (note 1)
In thousands

	2018	2017
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to unitholders from operations	(127)	47
Adjustments for:		
Net realized loss (gain) on investments	(379)	58
Change in net unrealized loss (gain) on investments	2,152	(24)
Purchase of investments	(29,406)	(18,407)
Proceeds from sale and maturity of investments	35,896	2,924
Change in dividends receivable	59	(10)
Change in due from manager	41	(10)
Change in due to manager	(51)	44
Net cash from operating activities	8,185	(15,378)
Cash flows from financing activities		
Proceeds from units issued	4,619	15,634
Payments on redemption of units	(11,743)	–
Distributions paid net of reinvestments	(946)	(137)
Net cash from financing activities	(8,070)	15,497
Net increase (decrease) in cash and cash equivalents	115	119
Cash and cash equivalents at beginning of period	347	6
Effect of exchange rate fluctuations on cash and cash equivalents	(15)	(3)
Cash and cash equivalents at end of period	447	122
Cash	447	122
Cash equivalents	–	–
Cash and cash equivalents at end of period	447	122
Supplementary disclosures on cash flow from operating activities:		
Dividends received	2,177	135
Foreign taxes paid	188	20
Interest received	–	–
Interest paid	–	–

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SCHEDULE OF INVESTMENTS

As at September 30, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES					
A.P. Moller - Maersk AS A	Denmark	Industrials	59	116	100
A.P. Moller - Maersk AS B	Denmark	Industrials	109	227	198
ABN AMRO Group NV	Netherlands	Financials	2,866	111	101
Accor SA	France	Consumer Discretionary	1,190	80	79
Adidas AG	Germany	Consumer Discretionary	1,187	326	376
Admiral Group PLC	United Kingdom	Financials	1,675	56	59
Aegon NV	Netherlands	Financials	11,056	86	93
Aena SA	Spain	Industrials	447	109	100
Aeroports de Paris	France	Industrials	202	46	59
Ageas	Belgium	Financials	1,233	79	86
Aggreko PLC	United Kingdom	Industrials	4,414	61	65
AIB Group PLC	Ireland	Financials	95,452	788	632
Air France-KLM	France	Industrials	35,449	415	478
Aker BP ASA	Norway	Energy	652	31	36
Akzo Nobel NV	Netherlands	Materials	1,472	170	178
Alstom SA	France	Industrials	917	57	53
Altran Technologies SA	France	Information Technology	21,524	259	241
Amadeus IT Group SA	Spain	Information Technology	358	31	43
Ambu AS	Denmark	Health Care	11,649	485	362
Amer Sports Oyj A	Finland	Consumer Discretionary	8,350	369	441
Ams AG	Austria	Information Technology	7,864	950	571
Andritz AG	Austria	Industrials	3,801	290	287
Anglo American PLC	United Kingdom	Materials	19,561	481	568
Anheuser-Busch InBev NV	Belgium	Consumer Staples	2,606	364	295
Antofagasta PLC	Chile	Materials	22,663	364	327
ASM International NV	Netherlands	Information Technology	272	23	18
ASML Holding NV	Netherlands	Information Technology	695	149	168
ASR Nederland NV	Netherlands	Financials	1,971	107	122
Assicurazioni Generali SPA	Italy	Financials	7,082	166	158
Associated British Foods PLC	United Kingdom	Consumer Staples	2,167	109	84
AstraZeneca PLC ADR	United Kingdom	Health Care	15,424	675	789
Atlantia SPA	Italy	Industrials	7,247	217	194
Atos Origin	France	Information Technology	344	58	53
Aurubis AG	Germany	Materials	174	19	16
Auto Trader Group PLC	United Kingdom	Information Technology	7,621	51	57
AXA SA	France	Financials	5,040	175	175
Axel Springer SE	Germany	Consumer Discretionary	322	32	28
B&M European Value Retail SA	United Kingdom	Consumer Discretionary	5,179	35	34
Banco Bilbao Vizcaya Argentaria SA	Spain	Financials	12,487	125	103
Banco De Sabadell SA	Spain	Financials	31,817	82	64
Bank of Ireland Group PLC	Ireland	Financials	10,894	119	108
Bankia SA	Spain	Financials	99,588	598	505
Bankinter SA	Spain	Financials	3,904	48	46
Barclays PLC	United Kingdom	Financials	64,057	225	185
Barratt Developments PLC	United Kingdom	Consumer Discretionary	6,157	59	59
Barry Callebaut AG	Switzerland	Consumer Staples	42	89	103
Bayerische Motoren Werke (BMW) AG Pfd.	Germany	Consumer Discretionary	338	39	34
Bayerische Motoren Werke (BMW) AG	Germany	Consumer Discretionary	94	12	11



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SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
Beiersdorf AG	Germany	Consumer Staples	598	89	87
Bellway PLC	United Kingdom	Consumer Discretionary	746	38	38
The Berkeley Group Holdings PLC	United Kingdom	Consumer Discretionary	1,130	74	70
BHP Billiton PLC	Australia	Materials	11,152	268	314
BioMerieux SA	France	Health Care	258	29	28
Boliden AB	Sweden	Materials	693	30	25
Bollore SA	France	Industrials	5,412	35	30
Brenntag AG	Germany	Industrials	942	71	75
The British Land Co. PLC	United Kingdom	Real Estate	1,430	15	15
BT Group PLC	United Kingdom	Telecommunication Services	51,480	215	196
BTG PLC	United Kingdom	Health Care	18,930	184	176
Bunzl PLC	United Kingdom	Industrials	2,043	78	83
Burberry Group PLC	United Kingdom	Consumer Discretionary	2,515	86	85
Bureau Veritas SA	France	Industrials	1,574	56	53
CaixaBank SA	Spain	Financials	21,588	130	128
Capita Group PLC	United Kingdom	Industrials	203,100	540	489
Capital & Counties Properties PLC	United Kingdom	Real Estate	4,416	20	20
Cargotec Oyj Class B	Finland	Industrials	160	12	9
Carl Zeiss Meditec AG	Germany	Health Care	222	25	24
Carlsberg AS B	Denmark	Consumer Staples	642	101	100
Carnival PLC ADR	United States	Consumer Discretionary	1,049	88	86
Carrefour SA	France	Consumer Staples	17,626	458	437
Castellum AB	Sweden	Real Estate	1,156	23	27
Cellnex Telecom SA	Spain	Telecommunication Services	988	31	34
Centrica PLC	United Kingdom	Utilities	108,720	279	284
Chr. Hansen Holding AS	Denmark	Materials	594	68	78
Cineworld Group PLC	United Kingdom	Consumer Discretionary	106,607	504	567
Clariant AG Reg.	Switzerland	Materials	1,450	45	49
CNP Assurances SA	France	Financials	909	30	28
Cobham PLC	United Kingdom	Industrials	291,128	661	573
Coca-Cola HBC AG-DI	Switzerland	Consumer Staples	1,208	50	53
Coloplast AS	Denmark	Health Care	1,028	110	136
Colruyt SA	Belgium	Consumer Staples	6,402	434	469
Commerzbank AG	Germany	Financials	6,098	107	82
Compagnie Financiere Richemont SA	Switzerland	Consumer Discretionary	2,817	318	298
Compagnie Generale des Etablissements Michelin B	France	Consumer Discretionary	815	145	126
Compass Group PLC	United Kingdom	Consumer Discretionary	9,625	271	277
Continental AG	Germany	Consumer Discretionary	303	73	68
ConvaTec Group PLC	United Kingdom	Health Care	87,904	315	344
Covestro AG	Germany	Materials	771	92	81
Covivio	France	Real Estate	184	25	25
Credit Agricole SA	France	Financials	7,535	164	140
Credit Suisse Group AG	Switzerland	Financials	7,521	178	147
CYBG PLC	United Kingdom	Financials	5,382	28	29
Danone SA	France	Consumer Staples	2,574	262	258
Danske Bank AS	Denmark	Financials	5,581	252	190
Dassault Aviation SA	France	Industrials	15	39	36
Dassault Systemes SA	France	Information Technology	802	111	155



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
Davide Campari Milano SPA	Italy	Consumer Staples	3,445	34	38
DCC PLC	United Kingdom	Industrials	524	65	62
Dechra Pharmaceuticals PLC	United Kingdom	Health Care	4,379	179	161
Deutsche Bank AG Reg.	Germany	Financials	11,436	244	169
Deutsche Boerse AG	Germany	Financials	1,120	169	194
Deutsche Lufthansa AG Reg.	Germany	Industrials	2,884	109	92
Deutsche Wohnen AG	Germany	Real Estate	8,551	460	530
Diageo PLC ADR	United Kingdom	Consumer Staples	2,453	424	449
Direct Line Insurance Group PLC	United Kingdom	Financials	9,334	59	51
DnB ASA	Norway	Financials	5,775	150	157
Dometic Group AB	Sweden	Consumer Discretionary	1,784	25	20
dorma+kaba Holding AG	Switzerland	Industrials	22	23	22
DSV AS	Denmark	Industrials	1,104	106	130
Dufry Group Reg.	Switzerland	Consumer Discretionary	176	32	26
E.ON SE	Germany	Utilities	13,075	182	172
easyJet PLC	United Kingdom	Industrials	1,602	43	35
Edenred	France	Industrials	1,223	61	60
EDF SA (Electricite de France)	France	Utilities	3,430	59	78
Eiffage SA	France	Industrials	271	40	39
Electrocomponents PLC	United Kingdom	Information Technology	2,693	29	33
Electrolux AB B	Sweden	Consumer Discretionary	1,466	42	42
Elekta AB B	Sweden	Health Care	23,820	350	414
Elis SA	France	Industrials	6,633	207	202
Elisa OYJ	Finland	Telecommunication Services	830	44	46
EMS-Chemie Holding AG	Switzerland	Materials	44	37	34
Enagas SA	Spain	Energy	1,371	49	48
Endesa SA	Spain	Utilities	1,927	56	54
Energias de Portugal SA	Portugal	Utilities	10,880	49	52
Engie SA	France	Utilities	7,133	154	136
Eni SPA	Italy	Energy	560	13	14
Epiroc AB	Sweden	Industrials	1,456	21	21
Erste Group Bank AG	Austria	Financials	4,330	250	233
Essilor International SA	France	Health Care	1,266	209	242
Essity Aktiebolag Class B	Sweden	Consumer Staples	3,619	130	118
Eurofins Scientific	Luxembourg	Health Care	69	53	51
Euronext NV	Netherlands	Financials	322	26	27
Eutelsat Communications SA	France	Consumer Discretionary	20,374	619	623
Evotec AG	Germany	Health Care	721	21	20
Fabege AB	Sweden	Real Estate	1,484	27	27
Ferrovial SA	Spain	Industrials	563	16	15
Fiat Chrysler Automobiles NV	United Kingdom	Consumer Discretionary	4,766	110	108
FinecoBank Banca Fineco SpA	Italy	Financials	2,113	31	37
FLSmidth & Co. AS	Denmark	Industrials	285	25	23
Fortum OYJ	Finland	Utilities	2,519	64	82
Fraport AG	Germany	Industrials	226	28	26
Galapagos NV	Belgium	Health Care	238	35	35
Galp Energia SGPS SA	Portugal	Energy	2,988	68	77
Gas Natural SDG SA	Spain	Utilities	3,143	97	111



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
GEA Group AG	Germany	Industrials	1,039	61	48
Geberit AG	Switzerland	Industrials	167	97	101
Gecina SA	France	Real Estate	430	92	93
Genmab AS	Denmark	Health Care	2,391	558	486
Georg Fischer AG	Switzerland	Industrials	20	33	29
Getlink SE	France	Industrials	12,501	214	206
Givaudan SA	Switzerland	Materials	47	132	150
Gjensidige Forsikring ASA	Norway	Financials	3,199	72	70
Glanbia PLC	Ireland	Consumer Staples	24,594	585	548
GlaxoSmithKline PLC ADR	United Kingdom	Health Care	13,959	705	725
Glencore PLC	Switzerland	Materials	68,689	414	384
GN Store Nord AS (GN Great Nordic)	Denmark	Health Care	187	12	12
GRENKE AG	Germany	Financials	165	26	25
GVC Holdings PLC	Isle of Man	Consumer Discretionary	3,494	59	54
GW Pharmaceuticals PLC	United Kingdom	Health Care	3,229	632	721
H. Lundbeck AS	Denmark	Health Care	7,501	535	599
Hammerson PLC	United Kingdom	Real Estate	70,353	609	542
Hannover Rueckversicherung SE Reg.	Germany	Financials	367	59	67
Hays PLC	United Kingdom	Industrials	7,999	28	28
Heineken Holding NV A	Netherlands	Consumer Staples	616	77	72
Heineken NV	Netherlands	Consumer Staples	1,145	156	139
Helvetia Holding AG	Switzerland	Financials	40	29	32
Henkel AG & Co. KGaA Pfd.	Germany	Consumer Staples	491	85	74
Henkel AG & Co. KGaA	Germany	Consumer Staples	617	96	85
Hennes & Mauritz AB B	Sweden	Consumer Discretionary	25,541	607	610
Hermes International	France	Consumer Discretionary	189	128	162
Hexagon AB B	Sweden	Information Technology	1,498	97	113
Hikma Pharmaceuticals PLC	Jordan	Health Care	1,578	50	49
Hiscox Ltd.	United Kingdom	Financials	3,155	82	87
Hochtief AG	Germany	Industrials	111	27	24
HomeServe PLC	United Kingdom	Industrials	1,727	23	30
Howden Joinery Group PLC	United Kingdom	Industrials	15,361	125	121
HSBC Holdings PLC	United Kingdom	Financials	30,989	392	350
Hugo Boss AG	Germany	Consumer Discretionary	2,614	282	260
Huhtamaki Oyj	Finland	Materials	531	28	22
Husqvarna AB-B	Sweden	Consumer Discretionary	2,516	33	28
Iberdrola SA	Spain	Utilities	38,413	379	366
ICADE	France	Real Estate	171	20	20
IG Group Holdings PLC	United Kingdom	Financials	44,832	520	479
Iliad SA	France	Telecommunication Services	2,976	782	503
IMCD Group NV	Netherlands	Industrials	304	24	31
Inchcape PLC	United Kingdom	Consumer Discretionary	2,482	33	28
Indivior PLC	United Kingdom	Health Care	88,207	551	274
Industria de Diseno Textil SA (Inditex)	Spain	Consumer Discretionary	5,893	255	231
Informa PLC	United Kingdom	Consumer Discretionary	7,618	97	98
ING Groep NV	Netherlands	Financials	660	12	11
Ingenico SA	France	Information Technology	4,870	565	478
Inmarsat PLC	United Kingdom	Telecommunication Services	9,786	83	82



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SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
International Consolidated Airlines Group SA	United Kingdom	Industrials	1,099	13	12
Intertek Group PLC	United Kingdom	Industrials	574	48	48
Intesa Sanpaolo SPA	Italy	Financials	91,061	368	301
Ipsen SA	France	Health Care	1,227	206	267
ISS AS	Denmark	Industrials	1,121	56	51
ITV PLC	United Kingdom	Consumer Discretionary	12,223	31	33
J Sainsbury PLC	United Kingdom	Consumer Staples	12,819	53	70
Jeronimo Martins SGPS SA	Portugal	Consumer Staples	7,291	177	139
John Wood Group PLC	United Kingdom	Energy	4,058	45	53
Johnson Matthey PLC	United Kingdom	Materials	170	9	10
Just Eat PLC	United Kingdom	Information Technology	28,518	347	322
Jyske Bank AS	Denmark	Financials	2,009	139	126
K+S AG	Germany	Materials	1,165	38	32
KBC Groep NV	Belgium	Financials	1,382	148	133
Kering	France	Consumer Discretionary	138	84	96
Kerry Group PLC A	Ireland	Consumer Staples	7,422	935	1,060
Kesko OYJ	Finland	Consumer Staples	6,255	430	439
Kingfisher PLC	United Kingdom	Consumer Discretionary	56,454	302	246
Kingspan Group PLC	Ireland	Industrials	2,735	167	165
Kion Group AG	Germany	Industrials	406	44	32
Klepierre	France	Real Estate	1,441	75	66
Kone OYJ B	Finland	Industrials	2,132	143	147
Koninklijke (Royal) KPN NV	Netherlands	Telecommunication Services	20,171	87	69
Koninklijke Ahold Delhaize NV	Netherlands	Consumer Staples	19,217	544	570
Koninklijke Vopak NV	Netherlands	Energy	398	23	25
Kuehne + Nagel International AG	Switzerland	Industrials	336	72	69
Lagardere SCA	France	Consumer Discretionary	728	28	29
Land Securities Group PLC	United Kingdom	Real Estate	4,218	68	63
LEG Immobilien GmbH	Germany	Real Estate	370	49	57
Lindt & Sprungli AG-PC	Switzerland	Consumer Staples	89	671	810
Lloyds Banking Group PLC	United Kingdom	Financials	254,341	288	254
Logitech International SA Reg.	Switzerland	Information Technology	947	43	55
London Stock Exchange Group PLC	United Kingdom	Financials	354	29	27
L'Oréal SA	France	Consumer Staples	409	120	128
Lundin Petroleum AB	Sweden	Energy	1,108	32	55
MAN SE	Germany	Industrials	382	55	54
Mapfre SA	Spain	Financials	5,867	24	24
Marine Harvest ASA	Norway	Consumer Staples	26,168	712	783
Marks & Spencer Group PLC	United Kingdom	Consumer Discretionary	9,887	54	48
Mediclinic International PLC	South Africa	Health Care	30,566	340	221
Mediobanca SPA	Italy	Financials	7,312	102	94
Meggitt PLC	United Kingdom	Industrials	3,096	30	30
Melrose Industries PLC	United Kingdom	Industrials	42,136	160	142
Merck KGaA	Germany	Health Care	714	99	95
Metro Bank PLC	United Kingdom	Financials	457	30	23
Metro Wholesale & Food Specialist	Germany	Consumer Staples	26,723	547	542
Micro Focus International PLC	United Kingdom	Information Technology	23,751	627	572
Moncler SPA	Italy	Consumer Discretionary	1,066	42	59



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SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
MorphoSys AG	Germany	Health Care	189	28	26
Muenchener Rueckversicherungs - Gesellschaft AG (MunichRe)	Germany	Financials	825	231	236
National Grid PLC ADR	United Kingdom	Utilities	4,133	321	277
Natixis	France	Financials	3,671	37	32
Neste Oil OYJ	Finland	Energy	9,995	684	1,067
Nestlé SA Reg.	Switzerland	Consumer Staples	9,916	1,034	1,073
Next PLC	United Kingdom	Consumer Discretionary	3,766	314	349
NN Group NV	Netherlands	Financials	1,849	98	107
Nokia OYJ	Finland	Information Technology	39,135	295	281
Nokian Renkaat OYJ	Finland	Consumer Discretionary	825	46	44
Nordea Bank AB	Sweden	Financials	10,981	164	155
Norsk Hydro ASA	Norway	Materials	21,283	185	165
Novartis AG Reg.	Switzerland	Health Care	7,857	839	878
Novo Nordisk AS B ADR	Denmark	Health Care	15,759	988	960
Novozymes AS	Denmark	Materials	10,191	663	723
Ocado Group PLC	United Kingdom	Consumer Discretionary	35,423	491	537
OMV AG	Austria	Energy	1,360	101	99
Orange SA	France	Telecommunication Services	11,700	245	241
Orion OYJ	Finland	Health Care	11,218	511	549
Orkla ASA	Norway	Consumer Staples	6,600	74	72
Orpea SA	France	Health Care	335	58	56
Orsted A/S	Denmark	Utilities	1,025	76	90
Osram Licht AG	Germany	Industrials	588	59	30
Paddy Power Betfair PLC	Ireland	Consumer Discretionary	5,265	727	576
Pandora AS	Denmark	Consumer Discretionary	12,917	1,483	1,042
Partners Group Holding AG	Switzerland	Financials	108	92	111
Pearson PLC	United Kingdom	Consumer Discretionary	68,407	972	1,025
Pennon Group PLC	United Kingdom	Utilities	2,760	36	33
Pernod Ricard SA*	France	Consumer Staples	1,071	203	227
Persimmon PLC	United Kingdom	Consumer Discretionary	1,890	82	75
Philips Lighting NV	Netherlands	Industrials	3,289	140	110
Phoenix Group Holdings	United Kingdom	Financials	1,442	16	16
Poste Italiane SPA	Italy	Financials	9,776	96	101
ProSiebenSat.1 Media SE	Germany	Consumer Discretionary	1,393	64	47
Proximus SA	Belgium	Telecommunication Services	862	34	27
PSA Peugeot Citroen	France	Consumer Discretionary	3,058	105	107
PSP Swiss Property AG Reg.	Switzerland	Real Estate	243	29	31
Publicis Groupe SA	France	Consumer Discretionary	1,263	110	98
Puma AG Rudolf Dassler Sport	Germany	Consumer Discretionary	286	209	182
Raiffeisen International Bank-Holding AG	Austria	Financials	1,297	54	48
Randgold Resources Ltd. ADR	Jersey	Materials	10,801	1,262	984
Reckitt Benckiser Group PLC	United Kingdom	Consumer Staples	21,459	467	509
Red Electrica Corporacion SA	Spain	Utilities	2,611	71	71
RELX PLC	United Kingdom	Industrials	7,933	209	216
Remy Cointreau SA	France	Consumer Staples	134	26	23
Rentokil Initial PLC	United Kingdom	Industrials	5,979	36	32
Rexel SA	France	Industrials	1,830	41	36
Rightmove PLC	United Kingdom	Information Technology	5,468	41	43



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STRATEGIC BETA INDEX ETF

SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
Roche Holding AG Genusscheine	Switzerland	Health Care	3,341	998	1,050
Rotork PLC	United Kingdom	Industrials	4,367	25	24
The Royal Bank of Scotland Group PLC	United Kingdom	Financials	27,643	128	116
Royal Mail PLC	United Kingdom	Industrials	52,436	426	422
Royal Unibrew AS	Denmark	Consumer Staples	1,206	133	128
RPC Group PLC	United Kingdom	Materials	12,502	183	168
RSA Insurance Group PLC	United Kingdom	Financials	6,252	67	61
RTL Group SA	Luxembourg	Consumer Discretionary	616	60	57
Rubis SCA	France	Utilities	1,884	147	132
RWE AG	Germany	Utilities	1,910	54	61
Saab AB Class B	Sweden	Industrials	371	22	24
Saipem SPA	Italy	Energy	3,412	25	27
Sampo OYJ A	Finland	Financials	220	15	15
Sanofi-Aventis ADR	France	Health Care	8,144	469	470
Sartorius Stedim Biotech SA	France	Health Care	143	25	25
SBM Offshore NV	Netherlands	Energy	8,107	179	190
SCOR SE	France	Financials	1,750	100	105
Scout24 AG	Germany	Information Technology	628	44	38
SEB SA	France	Consumer Discretionary	357	86	79
Segro PLC	United Kingdom	Real Estate	4,029	43	43
SES SA	Luxembourg	Consumer Discretionary	41,873	955	1,187
Severn Trent PLC	United Kingdom	Utilities	1,442	52	45
SGS SA Reg.*	Switzerland	Industrials	3	9	10
Shire PLC ADR	United States	Health Care	1,855	367	435
Siemens Gamesa Renewable Energy SA	Spain	Industrials	17,619	341	288
Sika AG	Switzerland	Materials	1,910	300	361
Siltronic AG	Germany	Information Technology	126	25	20
SimCorp AS	Denmark	Information Technology	238	27	27
Skanska AB	Sweden	Industrials	1,218	32	31
Smurfit Kappa Group PLC	Ireland	Materials	2,612	123	134
Snam SPA	Italy	Energy	12,494	76	67
Societe Generale	France	Financials	4,503	282	250
Sodexo SA	France	Consumer Discretionary	1,434	201	197
Sonova Holding AG	Switzerland	Health Care	316	70	82
Spectris PLC	United Kingdom	Information Technology	237	10	9
Spie SA	France	Industrials	2,838	81	73
Spirax-Sarco Engineering PLC	United Kingdom	Industrials	152	18	19
SSE PLC	United Kingdom	Utilities	5,999	136	116
SSP Group PLC	United Kingdom	Consumer Discretionary	2,684	28	33
Standard Chartered PLC	United Kingdom	Financials	11,173	150	120
Standard Life Aberdeen PLC	United Kingdom	Financials	5,271	29	27
Statoil ASA	Norway	Energy	6,629	232	241
Storebrand ASA	Norway	Financials	2,487	26	29
Subsea 7 SA	United Kingdom	Energy	1,567	31	30
Suez Environnement SA	France	Utilities	9,270	176	170
Svenska Cellulosa AB (SCA) B	Sweden	Materials	1,328	16	19
Svenska Handelsbanken AB A	Sweden	Financials	3,888	69	63
The Swatch Group AG	Switzerland	Consumer Discretionary	132	68	68



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SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
Swedish Orphan Biovitrum AB	Sweden	Health Care	872	33	33
Swiss Prime Site AG	Switzerland	Real Estate	444	51	49
Swiss Re Ltd.	Switzerland	Financials	1,779	236	213
Swisscom AG Reg.	Switzerland	Telecommunication Services	154	105	91
Symrise AG	Germany	Materials	660	66	78
TAG Immobilien AG	Germany	Real Estate	768	24	24
Tate & Lyle PLC	United Kingdom	Consumer Staples	44,746	506	515
Taylor Wimpey PLC	United Kingdom	Consumer Discretionary	19,919	62	58
TechnipFMC PLC	United Kingdom	Energy	2,768	101	113
Tele2 AB	Sweden	Telecommunication Services	1,171	19	18
Telecom Italia SPA RNC (RSP Share)	Italy	Telecommunication Services	36,697	41	26
Telecom Italia SPA RNC	Italy	Telecommunication Services	65,441	84	51
Telefonaktiebolaget LM Ericsson B	Sweden	Information Technology	40,356	369	463
Telefonica Deutschland Holding AG	Germany	Telecommunication Services	18,240	117	100
Telenet Group Holding NV	Belgium	Consumer Discretionary	3,659	261	260
Telenor ASA	Norway	Telecommunication Services	4,121	115	104
Teleperformance	France	Industrials	635	135	155
TeliaSonera AB	Sweden	Telecommunication Services	15,147	93	90
Temenos Group AG	Switzerland	Information Technology	369	53	78
Tenaris SA	Luxembourg	Energy	2,830	54	61
Terna SPA	Italy	Utilities	8,585	62	59
Tesco PLC	United Kingdom	Consumer Staples	123,763	478	500
TGS Nopec Geophysical Co. ASA	Norway	Energy	615	27	32
Travis Perkins PLC	United Kingdom	Industrials	5,458	111	98
TUI AG	Germany	Consumer Discretionary	512	13	13
Tullow Oil PLC	United Kingdom	Energy	140,595	460	624
UBI Banca - Unione di Banche Italiane SCPA	Italy	Financials	125,393	711	651
UCB SA	Belgium	Health Care	6,530	626	759
Umicore SA*	Belgium	Materials	1,257	74	91
Unibail-Rodamco SE / WFD Unibail-Rodamco NV	Netherlands	Real Estate	699	220	182
UniCredit SPA	Italy	Financials	19,122	474	372
Unilever NV CVA	United Kingdom	Consumer Staples	8,433	611	607
Unilever PLC	United Kingdom	Consumer Staples	6,832	489	486
United Utilities Group PLC	United Kingdom	Utilities	4,149	53	49
UPM-Kymmene OYJ	Finland	Materials	2,181	88	111
Valeo SA	France	Consumer Discretionary	916	57	51
VAT Group AG	Switzerland	Industrials	164	30	24
Veolia Environnement	France	Utilities	2,092	56	54
Vestas Wind Systems AS	Denmark	Industrials	6,824	640	597
Victrex PLC	United Kingdom	Materials	508	27	29
Vifor Pharma AG	Switzerland	Health Care	1,765	285	397
Vivendi SA	France	Consumer Discretionary	4,881	158	162
Vodafone Group PLC	United Kingdom	Telecommunication Services	44,189	163	123
Voestalpine AG	Austria	Materials	676	45	40
Volkswagen AG Pfd.	Germany	Consumer Discretionary	148	36	34
Vonovia SE	Germany	Real Estate	3,127	177	198
Wartsila OYJ	Finland	Industrials	2,590	72	65
Wienerberger AG	Austria	Materials	710	23	23



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SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
William Demant Holding AS	Denmark	Health Care	538	27	26
William Hill PLC	United Kingdom	Consumer Discretionary	104,738	520	445
William Morrison Supermarkets PLC	United Kingdom	Consumer Staples	13,985	54	61
Wirecard AG	Germany	Information Technology	2,113	262	592
Wolters Kluwer NV	Netherlands	Industrials	1,699	126	137
WPP PLC	United Kingdom	Consumer Discretionary	7,354	159	139
Yara International ASA	Norway	Materials	1,061	61	67
Zalando SE	Germany	Consumer Discretionary	3,603	234	181
Zurich Insurance Group AG	Switzerland	Financials	399	172	164
Total equities				73,151	72,019
Transaction costs				(180)	–
Total investments				72,971	72,019
Cash and cash equivalents					447
Other assets less liabilities					(180)
Total net assets					72,286

* Related to Mackenzie. See Note 1.



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SUMMARY OF INVESTMENT PORTFOLIO

September 30, 2018	
Portfolio Allocation	% of NAV
Equities	99.6
Cash and short-term investments	0.6
Other assets (liabilities)	(0.2)

Regional Allocation	% of NAV
United Kingdom	27.3
France	11.9
Switzerland	9.7
Denmark	8.6
Germany	7.4
Other	5.5
Finland	4.6
Ireland	4.5
Sweden	3.3
Netherlands	3.3
Italy	3.1
Spain	3.1
Belgium	3.0
Norway	2.4
Luxembourg	1.9
Cash and short-term investments	0.6
Other assets (liabilities)	(0.2)

Sector Allocation	% of NAV
Consumer discretionary	17.3
Consumer staples	16.8
Health care	16.6
Financials	12.6
Industrials	10.2
Materials	7.3
Information technology	6.1
Energy	4.0
Utilities	3.4
Real estate	2.8
Telecommunication services	2.5
Cash and short-term investments	0.6
Other assets (liabilities)	(0.2)

March 31, 2018	
Portfolio Allocation	% of NAV
Equities	99.7
Cash and short-term investments	0.4
Exchange-traded funds/notes	0.1
Other assets (liabilities)	(0.2)

Regional Allocation	% of NAV
United Kingdom	25.1
Switzerland	12.5
Germany	11.0
France	9.5
Denmark	7.3
Other	6.9
Netherlands	4.5
Ireland	4.4
Finland	4.0
Spain	3.7
Sweden	2.6
Belgium	2.5
Italy	2.4
Austria	1.9
Jersey	1.5
Cash and short-term investments	0.4
Other assets (liabilities)	(0.2)

Sector Allocation	% of NAV
Health care	15.3
Consumer discretionary	15.1
Consumer staples	14.9
Financials	13.7
Materials	11.4
Industrials	8.5
Information technology	6.6
Energy	4.5
Utilities	3.6
Telecommunication services	3.5
Real estate	2.6
Cash and short-term investments	0.4
Exchange-traded funds/notes	0.1
Other assets (liabilities)	(0.2)



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NOTES TO FINANCIAL STATEMENTS

1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the six-month periods ended or as at September 30, 2018 and 2017, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 2018, 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 unaudited interim financial statements (“financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”), including international Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”). These financial statements were prepared using the same accounting policies, critical accounting judgements and estimates as applied in the ETF’s most recent audited annual financial statements for the year ended March 31, 2018. 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 November 13, 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 – Other changes in fair value of investments and other net assets – 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.

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(a) Financial instruments (cont'd)

Gains and losses arising from changes in the fair value of the investments are included in the Statement of Comprehensive Income for the period in which they arise.

The ETF accounts for its holdings in unlisted open-ended investment funds and exchange-traded funds, if any, at FVTPL. 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 and other net assets – Net unrealized gain (loss).

The value of futures contracts or swaps fluctuates daily, and cash settlements made daily, where applicable, by the 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 September 30, 2018.



NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(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.

(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 – Other changes in fair value of investments and other net assets – Net realized gain (loss).

The fair value of investments and other assets and liabilities, denominated in foreign currencies, are translated to Canadian dollars at the rate of exchange prevailing on each business day.

(h) Net assets attributable to 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.

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.



NOTES TO FINANCIAL STATEMENTS

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

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 September 30, 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 September 30, 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.

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.

NOTES TO FINANCIAL STATEMENTS

9. Financial Instruments Risk (cont'd)

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.

MACKENZIE MAXIMUM DIVERSIFICATION DEVELOPED EUROPE INDEX 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 June 3, 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 MEU on September 7, 2016. The closing market price, or the midpoint of the bid and ask prices in the absence of a closing market price, at September 30, 2018 was \$22.59 (March 31, 2018 – \$23.16).

The management fee rate for Series E units is 0.50%.

As at September 30, 2018, there were no differences between the ETF's NAV per unit and its Net Assets per unit calculated in accordance with IFRS.

(b) Investments by Mackenzie and Affiliates

As at September 30, 2018, other funds managed by Mackenzie had an investment of \$4,470 (March 31, 2018 – \$4,675) in the ETF.

(c) Loss Carryforwards

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

(d) Securities Lending

The value of securities loaned and collateral received from securities lending at September 30, 2018 and March 31, 2018, were as follows:

	September 30, 2018	March 31, 2018
	(\$)	(\$)
Value of securities loaned	6,167	5,072
Value of collateral received	6,555	5,364

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 September 30, 2018 and 2017 is as follows:

	2018		2017	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	37	100.0	–	–
Tax withheld	–	–	–	–
	37	100.0		
Payments to Securities Lending Agent	(9)	(24.3)	–	–
Securities lending income	28	75.7	–	–

(e) Offsetting of Financial Assets and Liabilities

As at September 30, 2018 and March 31, 2018, there were no amounts subject to offsetting.

(f) Risks Associated with Financial Instruments

i. Risk exposure and management

The ETF seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the TOBAM Maximum Diversification Developed Europe Index, or any successor thereto. It invests primarily in equity securities of developed European markets.

MACKENZIE MAXIMUM DIVERSIFICATION DEVELOPED EUROPE INDEX ETF

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STRATEGIC BETA INDEX ETF

NOTES TO FINANCIAL STATEMENTS

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

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

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.

Currency	September 30, 2018			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
Euro	31,185	18	–	31,203
British pound	17,552	22	–	17,574
Swiss franc	7,176	–	–	7,176
U.S. dollar	6,700	70	–	6,770
Danish krone	5,224	–	–	5,224
Swedish krona	2,396	2	–	2,398
Norwegian krone	1,786	–	–	1,786
Total	72,019	112	–	72,131
% of Net Assets	99.6	0.2	–	99.8

Currency	March 31, 2018			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
Euro	34,343	36	–	34,379
British pound	20,281	21	–	20,302
Swiss franc	10,605	3	–	10,608
U.S. dollar	8,091	4	–	8,095
Danish krone	4,642	166	–	4,808
Swedish krona	2,069	1	–	2,070
Norwegian krone	526	19	–	545
Total	80,557	250	–	80,807
% of Net Assets	99.8	0.3	–	100.1

* Includes both monetary and non-monetary financial instruments

As at September 30, 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 \$3,607 or 5.0% of total net assets (March 31, 2018 – \$4,040 or 5.0%). In practice, the actual trading results may differ and the difference could be material.

iii. Interest rate risk

As at September 30, 2018 and March 31, 2018, the ETF did not have a significant exposure to interest rate risk.

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STRATEGIC BETA INDEX ETF

NOTES TO FINANCIAL STATEMENTS

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

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

iv. Other price risk

The ETF's most significant exposure to price risk arises from its investment in equity securities and exchange-traded funds/notes. As at September 30, 2018, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased by approximately \$7,202 or 10.0% of total net assets (March 31, 2018 – \$8,056 or 10.0%). In practice, the actual trading results may differ and the difference could be material.

v. Credit risk

As at September 30, 2018 and March 31, 2018, the ETF did not have a significant exposure to credit risk.

(g) 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.

	September 30, 2018				March 31, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	72,019	–	–	72,019	80,452	–	–	80,452
Exchange-traded funds/notes	–	–	–	–	105	–	–	105
Total	72,019	–	–	72,019	80,557	–	–	80,557

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.



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