

MACKENZIE FLOATING RATE INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

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 Floating Rate Income 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

July 13, 2020

INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Mackenzie Floating Rate Income ETF (the "ETF")

Opinion

We have audited the financial statements of the ETF, which comprise the statements of financial position as at March 31, 2020 and 2019, and the statements of comprehensive income, changes in financial position and cash flows for the periods then ended, as indicated in Note 1, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the ETF as at March 31, 2020 and 2019, 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 ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the ETF in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information which comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.



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INDEPENDENT AUDITOR'S REPORT (cont'd)

In preparing the financial statements, management is responsible for assessing the ETF's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the ETF or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the ETF's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 ETF's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ETF's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the ETF to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Mervyn Ramos.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
July 13, 2020



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STATEMENTS OF FINANCIAL POSITION

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

	2020	2019
	\$	\$
ASSETS		
Current assets		
Investments at fair value	344,951	633,280
Cash and cash equivalents	57,818	46,971
Accrued interest receivable	3,643	3,664
Accounts receivable for investments sold	19,795	31,753
Accounts receivable for units issued	–	–
Margin on derivatives	539	–
Unrealized gains on derivative contracts	2,753	1,282
Total assets	429,499	716,950
LIABILITIES		
Current liabilities		
Accounts payable for investments purchased	14,038	38,878
Accounts payable for units redeemed	1,734	–
Due to manager	205	374
Accrued expenses and miscellaneous payables	–	39
Unrealized losses on derivative contracts	35,576	5,287
Total liabilities	51,553	44,578
Net assets attributable to unitholders	377,946	672,372
Net assets attributable to unitholders per series (note 3)		
Series E	377,946	672,372
Net assets attributable to unitholders per unit (note 3)		
Series E	17.42	20.98

STATEMENTS OF COMPREHENSIVE INCOME

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

	2020	2019
	\$	\$
Income		
Dividends	16	20
Interest income	42,009	41,491
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(4,963)	(16,085)
Net unrealized gain (loss)	(84,783)	(2,774)
Securities lending income	8	12
Other	1,079	1,504
Total income (loss)	(46,634)	24,168
Expenses (note 6)		
Management fees	3,947	4,273
Management fee rebates	(960)	(1,123)
Commissions and other portfolio transaction costs	36	45
Independent Review Committee fees	2	2
Other	1	–
Expenses before amounts absorbed by Manager	3,026	3,197
Expenses absorbed by Manager	–	–
Net expenses	3,026	3,197
Increase (decrease) in net assets attributable to unitholders from operations before tax		
	(49,660)	20,971
Foreign withholding taxes	–	–
Foreign income taxes paid (recovered)	–	–
Increase (decrease) in net assets attributable to unitholders from operations		
	(49,660)	20,971
Increase (decrease) in net assets attributable to unitholders from operations per series		
Series E	(49,660)	20,971
Increase (decrease) in net assets attributable to unitholders from operations per unit		
Series E	(1.72)	0.72

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

	2020	2019
	Series E	
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	\$	
Beginning of period	672,372	355,532
Increase (decrease) in net assets from operations	(49,660)	20,971
Distributions paid to unitholders:		
Investment income	(38,602)	(37,411)
Capital gains	–	–
Management fee rebates	(960)	(1,123)
Total distributions paid to unitholders	(39,562)	(38,534)
Unit transactions:		
Proceeds from units issued	11,562	468,051
Reinvested distributions	–	–
Payments on redemption of units	(216,766)	(133,648)
Total unit transactions	(205,204)	334,403
Total increase (decrease) in net assets	(294,426)	316,840
End of period	377,946	672,372
	Units	
Increase (decrease) in units (note 7):		
Units outstanding – beginning of period	32,050	16,600
Issued	550	21,850
Reinvested distributions	–	–
Redeemed	(10,900)	(6,400)
Units outstanding – end of period	21,700	32,050

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STATEMENTS OF CASH FLOWS

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

	2020	2019
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to unitholders from operations	(49,660)	20,971
Adjustments for:		
Net realized loss (gain) on investments	11,231	(10,469)
Change in net unrealized loss (gain) on investments	84,783	2,774
Purchase of investments	(268,747)	(813,834)
Proceeds from sale and maturity of investments	475,215	500,818
Change in accrued interest receivable	21	(2,437)
Change in margin on derivatives	(539)	–
Change in due to manager	(169)	176
Change in accrued expenses	(39)	28
Net cash from operating activities	252,096	(301,973)
Cash flows from financing activities		
Proceeds from units issued	11,562	472,333
Payments on redemption of units	(215,032)	(133,648)
Distributions paid net of reinvestments	(39,562)	(38,534)
Net cash from financing activities	(243,032)	300,151
Net increase (decrease) in cash and cash equivalents	9,064	(1,822)
Cash and cash equivalents at beginning of period	46,971	48,968
Effect of exchange rate fluctuations on cash and cash equivalents	1,783	(175)
Cash and cash equivalents at end of period	57,818	46,971
Cash	57,818	46,971
Cash equivalents	–	–
Cash and cash equivalents at end of period	57,818	46,971
Supplementary disclosures on cash flow from operating activities:		
Dividends received	16	20
Foreign taxes paid	–	–
Interest received	42,030	39,054
Interest paid	–	–

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SCHEDULE OF INVESTMENTS

As at March 31, 2020

	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 1,076,528	1,343	663
Acisure LLC Term Loan B 1st Lien F/R 11-22-2023	United States	Term Loans	USD 175,950	224	244
Aegis Toxicology Sciences Corp. Term Loan B 1st Lien F/R 05-09-2025	United States	Term Loans	USD 837,250	1,063	986
AerCap Holdings NV F/R 10-10-2079 Callable 2024	Ireland	Corporate - Non Convertible	USD 260,000	347	254
AerCap Ireland Capital Designated Activity Co. 4.88% 01-16-2024 Callable 2023	Ireland	Corporate - Non Convertible	USD 280,000	380	339
AG Merger Sub II Inc. Term Loan B 1st Lien F/R 08-01-2026	United States	Term Loans	USD 346,300	453	371
Alcami Carolinas Corp. Term Loan 1st Lien F/R 07-06-2025	United States	Term Loans	USD 2,206,400	2,880	2,826
Alchemy US Holdco LLC Term Loan B 1st Lien F/R 10-01-2025	United States	Term Loans	USD 7,928,250	10,191	9,875
American Seafoods Group LLC Term Loan B 1st Lien F/R 08-21-2023	United States	Term Loans	USD 445,717	549	586
American Teleconferencing Services Ltd. Term Loan 1st Lien F/R 06-08-2023	United States	Term Loans	USD 3,473,132	2,968	2,762
APCO Holdings Inc. Term Loan B 1st Lien F/R 06-06-2025	United States	Term Loans	USD 496,250	637	590
APFS Staffing Holdings Inc. Term Loan 1st Lien F/R 04-10-2026	United States	Term Loans	USD 2,312,525	3,026	2,685
Arconic Rolled Products Corp. Term Loan B 1st Lien F/R 02-04-2027	United States	Term Loans	USD 890,000	1,176	1,146
ARD Finance SA 6.50% 06-30-2027 Callable 2022 144A	Luxembourg	Corporate - Non Convertible	USD 350,000	465	426
Ardonagh Midco 3 PLC 8.63% 07-15-2023 Callable 2020	United Kingdom	Corporate - Non Convertible	USD 350,000	413	443
Ascend Performance Materials Operations LLC Term Loan B 1st Lien F/R 08-16-2026	United States	Term Loans	USD 3,333,250	4,335	4,175
Ball Metalpack Finco LLC Term Loan B 1st Lien F/R 07-26-2025	United States	Term Loans	USD 1,886,400	2,454	2,047
Bausch Health Cos Inc. 5.50% 11-01-2025 Callable 144A	United States	Corporate - Non Convertible	USD 5,000	7	7
Baytex Energy Corp. 5.63% 06-01-2024 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 200,000	237	107
BCPE Cycle Merger Sub II Inc. 10.63% 07-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 300,000	400	360
Beasley Mezzanine Holdings LLC Term Loan 1st Lien F/R 11-16-2023	United States	Term Loans	USD 1,991,570	2,598	2,242
BMC Acquisition Inc. Term Loan 1st Lien F/R 12-15-2024	United States	Term Loans	USD 590,622	755	821
Bright Bidco BV Term Loan B 1st Lien F/R 06-30-2024	Netherlands	Term Loans	USD 548,925	655	293
Brookfield Residential Properties Inc. 6.25% 09-15-2027 Callable 2022 144A	Canada	Corporate - Non Convertible	USD 80,000	105	98
Bulldog Purchaser Inc. Term Loan B 1st Lien F/R 08-31-2025	United States	Term Loans	USD 2,479,820	3,189	2,885
BWAY Holding Co. 7.25% 04-15-2025 144A	United States	Corporate - Non Convertible	USD 580,000	731	655
C&D Technologies Inc. Term Loan B 1st Lien F/R 12-13-2025	United States	Term Loans	USD 2,704,013	3,181	3,444
Calceus Acquisition Inc. Term Loan B1 1st Lien F/R 02-08-2025	United States	Term Loans	USD 2,299,025	3,012	2,758
Calfrac Holdings LP 8.50% 06-15-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 10,000	11	1
California Resources Corp. 8.00% 12-15-2022 Callable 2020 144A	United States	Corporate - Non Convertible	USD 25,000	25	1
Canada Goose Inc. Term Loan 1st Lien F/R 12-02-2024	Canada	Term Loans	USD 1,535,802	1,925	2,151
Casablanca US Holdings Inc. Term Loan 1st Lien F/R 03-31-2024	United States	Term Loans	USD 4,116,000	5,288	4,750
CCO Holdings LLC 4.00% 03-01-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 30,000	38	42
CCS-CMGC Holdings Inc. Term Loan 1st Lien F/R 09-25-2025	United States	Term Loans	USD 1,449,442	1,859	1,637
CenturyLink Inc. 4.00% 02-15-2027 Callable 2023 144A	United States	Corporate - Non Convertible	USD 80,000	104	110
CEVA Logistics Finance BV Term Loan B 1st Lien F/R 08-03-2025	United States	Term Loans	USD 3,334,800	4,252	2,628
Chemtrade Logistics Income Fund 4.75% 05-31-2024 Conv. Callable 2022	Canada	Corporate - Convertible	200,000	200	116
Civitas Solutions Inc. Term Loan 1st Lien F/R 02-05-2026	United States	Term Loans	USD 1,777,478	2,320	2,274



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SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
Clarity Telecom LLC Term Loan 1st Lien F/R 06-27-2026	United States	Term Loans	USD 2,512,126	3,269	3,005
Colorado Buyer Inc. Term Loan 2nd Lien F/R 05-01-2025	United States	Term Loans	USD 100,000	132	55
Commercial Vehicle Group Inc. Term Loan B 1st Lien F/R 03-30-2023	United States	Term Loans	USD 1,809,502	2,366	2,228
CommScope Technologies Finance LLC 8.25% 03-01-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 100,000	133	136
CommScope Technologies LLC 5.00% 03-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 240,000	277	296
Concrete Pumping Merger Sub Inc. Term Loan 1st Lien F/R 11-14-2025	United States	Term Loans	USD 1,523,764	1,964	1,887
Connect Finco SARL 6.75% 10-01-2026	United Kingdom	Corporate - Non Convertible	USD 290,000	385	339
Cook & Boardman Group LLC Term Loan 1st Lien F/R 10-12-2025	United States	Term Loans	USD 2,962,500	3,823	3,502
CoolSys Inc. Delayed Draw Term Loan 1st Lien F/R 12-31-2049	United States	Term Loans	USD 189,091	247	259
CoolSys Inc. Term Loan 1st Lien 12-31-2049	United States	Term Loans	USD 1,108,132	1,445	1,520
Crew Energy Inc. 6.50% 03-14-2024 Callable	Canada	Corporate - Non Convertible	10,000	10	6
Crown Subsea Communications Holding Inc. Term Loan 1st Lien F/R 11-02-2025	United States	Term Loans	USD 1,884,612	2,423	2,334
CVR Partners LP 9.25% 06-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,000,000	1,270	1,137
Dawn Acquisition LLC Term Loan 1st Lien F/R 10-25-2025	United States	Term Loans	USD 2,722,456	3,544	2,957
Deerfield Dakota Holding LLC Term Loan 1st Lien F/R 02-13-2025	United States	Term Loans	USD 1,524,600	2,010	2,119
Diamond Sports Group LLC 6.63% 08-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 160,000	209	152
DMT Solutions Global Corp. Term Loan 1st Lien F/R 06-25-2024	United States	Term Loans	USD 702,625	907	868
Drive Chassis Holdco LLC Term Loan 2nd Lien F/R 04-12-2026	United States	Term Loans	USD 1,370,000	1,735	1,398
DRW Holdings LLC Term Loan 1st Lien F/R 11-26-2026	United States	Term Loans	USD 1,187,025	1,560	1,512
DynCorp International Inc. Term Loan B 1st Lien F/R 08-15-2025	United States	Term Loans	USD 5,099,250	6,587	6,172
EagleTree-Carbide Acquisition Corp. Term Loan 1st Lien F/R 08-28-2024	United States	Term Loans	USD 5,102,614	6,591	5,996
Eastern Power LLC Term Loan B 1st Lien F/R 10-02-2023	United States	Term Loans	USD 1,424,224	1,865	1,758
Edgewell Personal Care Co. Term Loan B 1st Lien F/R 09-20-2026	United States	Term Loans	USD 920,000	1,209	1,288
eG Global Finance PLC 6.75% 02-07-2025 Callable 2021 144A	United Kingdom	Corporate - Non Convertible	USD 640,000	862	744
Electrical Components International Inc. Term Loan 1st Lien F/R 06-22-2025	United States	Term Loans	USD 2,564,325	3,370	2,761
Electrical Components International Inc. Term Loan 2nd Lien F/R 06-22-2026	United States	Term Loans	USD 470,000	587	603
ENC Holding Corp. Term Loan 1st Lien F/R 05-30-2025	United States	Term Loans	USD 874,823	1,135	1,028
EnTrans International LLC Term Loan 1st Lien F/R 10-29-2025	United States	Term Loans	USD 3,175,500	4,124	3,843
Exela Intermediate LLC Term Loan B 1st Lien F/R 07-12-2023	United States	Term Loans	USD 2,701,163	3,515	1,045
Exela Intermediate LLC 10.00% 07-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 2,620,000	3,358	996
First American Payment Systems LP Term Loan B 1st Lien F/R 02-21-2027	United States	Term Loans	USD 2,351,000	3,093	2,920
First Eagle Holdings Inc. Term Loan B 1st lien F/R 02-17-2027	United States	Term Loans	USD 5,272,945	6,888	6,326
Forming Machining Industries Holdings LLC Term Loan 1st Lien F/R 10-03-2025	United States	Term Loans	USD 2,695,875	3,473	2,997
Foundation Building Materials LLC Term Loan B 1st Lien F/R 05-11-2025	United States	Term Loans	USD 1,051,688	1,345	1,306
Foxtrot Escrow Issuer LLC 12.25% 11-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 1,363,000	1,751	1,507
Frontera Generation Holdings LLC Term Loan B 1st Lien F/R 04-25-2025	United States	Term Loans	USD 5,979,604	7,692	6,269



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SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
Fusion Connect Inc. Term Loan B 1st Lien F/R 05-03-2023	United States	Term Loans	USD 2,027,286	2,209	1,084
Gates Global LLC Term Loan B2 1st Lien F/R 03-31-2024	United States	Term Loans	USD 91,178	115	113
GBT III BV Term Loan 1st Lien F/R 02-27-2027	Netherlands	Term Loans	USD 1,845,000	2,420	2,272
GBT US III LLC Term Loan Delayed Draw 1st Lien F/R 02-27-2027	United States	Term Loans	USD 1,545,000	2,026	1,902
GEMS MENASA (Cayman) Ltd. Term Loan B 1st Lien F/R 07-30-2026	United Arab Emirates	Term Loans	USD 699,558	911	822
GFL Environmental Inc. 7.00% 06-01-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 216,000	279	297
Gibson Energy Inc. 5.25% 07-15-2024 Callable 2020 REGS	Canada	Corporate - Non Convertible	344,000	343	347
Global Business Travel Holdings Ltd. Term Loan B 1st Lien F/R 07-20-2025	United States	Term Loans	USD 610,700	793	752
GLOBALFOUNDRIES Inc. Term Loan B 1st Lien F/R 05-24-2026	United States	Term Loans	USD 6,927,650	9,215	8,384
Greenhill & Co. Inc. Term Loan B 1st Lien F/R 04-05-2024	United States	Term Loans	USD 1,278,667	1,703	1,593
Halo Buyer Inc. Term Loan 1st Lien F/R 06-28-2025	United States	Term Loans	USD 1,208,505	1,579	1,395
Heritage Power LLC Term Loan B 1st Lien F/R 07-08-2026	United States	Term Loans	USD 3,860,600	4,904	4,482
Hyster-Yale Group Inc. Term Loan B 1st Lien F/R 05-30-2023	United States	Term Loans	USD 1,181,250	1,552	1,396
II-VI Inc. Term Loan B 1st Lien F/R 05-08-2026	United States	Term Loans	USD 1,303,450	1,739	1,538
Imagine! Print Solutions Inc. Term Loan 1st Lien F/R 06-21-2022	United States	Term Loans	USD 243,024	310	74
Innovative Water Care Global Corp. Term Loan 1st Lien F/R 02-27-2026	United States	Term Loans	USD 3,861,000	4,824	2,988
Institutional Shareholder Services Inc. Term Loan 1st Lien F/R 02-26-2026	United States	Term Loans	USD 3,336,300	4,396	3,920
Integro Ltd. United States Term Loan B1 1st Lien F/R 10-31-2022	United States	Term Loans	USD 2,560,597	3,253	3,549
Inter Pipeline Ltd. F/R 03-26-2079 Callable 2029	Canada	Corporate - Non Convertible	860,000	860	746
Inter Pipeline Ltd. F/R 11-19-2079 Callable 2029	Canada	Corporate - Non Convertible	270,000	270	227
Interior Logic Group Holdings IV LLC Term Loan B 1st Lien F/R 05-21-2025	United States	Term Loans	USD 3,043,650	3,900	3,726
International Textile Group Inc. Term Loan 2nd Lien F/R 04-19-2025	United States	Term Loans	USD 2,235,000	2,840	1,809
iQor US Inc. Term Loan 2nd Lien F/R 04-01-2022	United States	Term Loans	USD 2,500,000	3,009	991
Isagenix International LLC Term Loan 1st Lien F/R 04-26-2025	United States	Term Loans	USD 2,292,546	2,931	1,202
Jane Street Group LLC Term Loan B 1st Lien F/R 01-31-2025	United States	Term Loans	USD 2,920,437	3,863	3,730
Jefferies Finance LLC Term Loan 1st Lien F/R 05-21-2026	United States	Term Loans	USD 1,409,350	1,888	1,664
Keane Group Holdings LLC Term Loan B 1st Lien F/R 05-18-2025	United States	Term Loans	USD 4,539,150	5,831	4,280
Kestrel Acquisition LLC Term Loan B 1st Lien F/R 05-02-2025	United States	Term Loans	USD 3,591,567	4,686	3,039
Keyera Corp. F/R 06-13-2079 Callable 2029	Canada	Corporate - Non Convertible	960,000	961	854
Keystone Peer Review Organization Holdings Inc. Term Loan 1st Lien F/R 05-01-2024	United States	Term Loans	USD 2,449,157	3,143	2,844
Kruger Products LP 6.00% 04-24-2025 Callable 2021	Canada	Corporate - Non Convertible	250,000	250	232
L&W Inc. Term Loan 1st Lien F/R 05-17-2025	United States	Term Loans	USD 2,054,544	2,633	2,371
LABL Escrow Issuer LLC 6.75% 07-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 560,000	749	729
LABL Escrow Issuer LLC 10.50% 07-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 1,040,000	1,392	1,375
LifeMiles Ltd. Term Loan B 1st Lien F/R 08-18-2022	Colombia	Term Loans	USD 105,532	136	121
LifeScan Global Corp. Term Loan 1st Lien F/R 06-19-2024	United States	Term Loans	USD 5,616,685	7,239	6,353
LifeScan Global Corp. Term Loan 2nd Lien F/R 06-19-2025	United States	Term Loans	USD 1,130,000	1,441	1,069
LMBE-MC HoldCo II LLC Term Loan B 1st Lien F/R 11-15-2025	United States	Term Loans	USD 2,118,076	2,773	2,608
Matterhorn Merger Sub LLC 8.50% 06-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 1,310,000	1,677	1,474
McAfee LLC Term Loan B 1st Lien F/R 09-29-2024	United States	Term Loans	USD 674,874	889	898
Meredith Corp. Term Loan B 1st Lien F/R 01-31-2025	United States	Term Loans	USD 2,054,519	2,579	2,588
Meredith Corp. 6.88% 02-01-2026 Callable 2021	United States	Corporate - Non Convertible	USD 70,000	88	87



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SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
Metronet Systems Holding LLC Term Loan 1st Lien F/R 12-31-2049	United States	Term Loans	USD 2,069,600	2,722	2,781
Millar Western Forest Products Ltd. 9.50% 06-20-2023 Callable 2020	Canada	Corporate - Non Convertible	160,000	160	115
Minotaur Acquisition Inc. Term Loan 1st Lien F/R 02-27-2026	United States	Term Loans	USD 3,740,761	4,822	4,466
Mirion Technologies Inc. Term Loan B 1st Lien F/R 03-04-2026	United States	Term Loans	USD 1,091,189	1,433	1,382
Multi-Color Corp. Term Loan B 1st Lien F/R 06-17-2026	United States	Term Loans	USD 2,248,700	2,979	2,684
MyNEXUS Inc. Term Loan 1st Lien F/R 06-19-2024	United States	Term Loans	USD 2,506,750	3,231	3,369
Natel Engineering Co. Inc. Term Loan B 1st Lien F/R 04-29-2026	United States	Term Loans	USD 2,114,025	2,822	2,276
Neenah Foundry Co. Term Loan B 1st Lien F/R 12-08-2022	United States	Term Loans	USD 1,227,728	1,567	1,512
NuVista Energy Ltd. 6.50% 03-02-2023 Callable 2020	Canada	Corporate - Non Convertible	30,000	28	19
Office Depot Inc. Term Loan B 1st Lien F/R 11-08-2022	United States	Term Loans	USD 1,258,951	1,571	1,721
Orion Merger Sub Inc. Term Loan B 1st Lien F/R 03-04-2027	United States	Term Loans	USD 1,540,000	1,850	2,135
Oxbow Carbon LLC Term Loan B 1st Lien F/R 12-18-2022	United States	Term Loans	USD 603,500	774	743
Panther BF Aggregator 2 LP 6.25% 05-15-2026 144A	United States	Corporate - Non Convertible	USD 100,000	135	134
Panther BF Aggregator 2 LP 8.50% 05-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 260,000	349	321
Parkland Fuel Corp. 5.75% 09-16-2024 Callable 2020	Canada	Corporate - Non Convertible	60,000	60	57
The Pasha Group Term Loan B 1st Lien F/R 12-13-2022	United States	Term Loans	USD 1,823,452	2,329	2,181
Petroleos De Venezuela SA 6.00% 05-16-2024	Venezuela	Corporate - Non Convertible	USD 530,000	169	52
Pisces Midco Inc. 8.00% 04-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 600,000	762	733
Pixelle Specialty Solutions LLC Term Loan B 1st Lien F/R 10-23-2024	United States	Term Loans	USD 905,050	1,155	1,128
Plaskolite PPC Intermediate II LLC Term Loan 1st Lien F/R 12-12-2025	United States	Term Loans	USD 2,340,375	3,062	2,874
PLH Group Inc. Term Loan 1st Lien F/R 08-06-2023	United States	Term Loans	USD 1,427,805	1,800	1,658
Polymer Process Holdings Inc. Term Loan 1st Lien F/R 04-29-2026	United States	Term Loans	USD 3,225,625	4,235	4,122
Premier Dental Services Inc. Term Loan B 1st Lien F/R 06-30-2023	United States	Term Loans	USD 3,147,010	4,110	4,384
Propulsion Acquisition LLC Term Loan 1st Lien F/R 07-13-2021	United States	Term Loans	USD 858,781	1,053	1,196
PS HoldCo LLC Term Loan 1st Lien F/R 03-02-2025	United States	Term Loans	USD 950,525	1,222	1,237
PSC Industrial Outsourcing LP Term Loan 2nd Lien F/R 10-05-2025	United States	Term Loans	USD 510,000	634	689
PSC Industrial Outsourcing LP Term Loan B 1st Lien F/R 10-05-2024	United States	Term Loans	USD 1,812,809	2,274	2,428
Rackspace Hosting Inc. 8.63% 11-15-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 705,000	914	898
Rayonier AM Products Inc. 5.50% 06-01-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 280,000	305	183
Renfro Corp. Term Loan B 1st Lien F/R 03-31-2021	United States	Term Loans	USD 5,633,780	7,299	3,766
REP WWEX Acquisition Parent LLC Term Loan 1st Lien F/R 01-02-2025	United States	Term Loans	USD 503,040	638	602
Research Now Group Inc. Term Loan 1st Lien F/R 12-20-2024	United States	Term Loans	USD 2,611,111	3,241	3,307
Resolute Investment Managers Inc. Term Loan 2nd Lien F/R 04-30-2023	United States	Term Loans	USD 300,000	391	369
Rite Aid Corp. 6.13% 04-01-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 51,000	60	62
Rite Aid Corp. 7.50% 07-01-2025 Callable 2022	United States	Corporate - Non Convertible	USD 29,000	39	39
Rite Aid Corp. 7.70% 02-15-2027	United States	Corporate - Non Convertible	USD 20,000	26	22
Robertshaw US Holding Corp. Term Loan 1st Lien F/R 02-15-2025	United States	Term Loans	USD 3,119,621	3,836	2,799
Robertshaw US Holding Corp. Term Loan 2nd Lien F/R 02-15-2026	United States	Term Loans	USD 110,000	130	91
Russel Metals Inc. 6.00% 03-16-2026 Callable 2021	Canada	Corporate - Non Convertible	150,000	150	132
Sabre Industries Inc. Term Loan B 1st Lien F/R 04-09-2026	United States	Term Loans	USD 816,671	1,080	1,053



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SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
Shields Health Solutions Holdings LLC Term Loan 1st Lien F/R 08-13-2026	United States	Term Loans	USD 2,288,500	3,016	3,015
Sigma Bidco BV Term Loan B 1st Lien F/R 03-07-2025	Netherlands	Term Loans	EUR 2,300,000	3,664	3,288
Silgan Holdings Inc. 4.13% 02-01-2028 Callable 2022 144A	United States	Corporate - Non Convertible	USD 180,000	237	236
Sinclair Television Group Inc. 5.50% 03-01-2030 Callable 2024 144A	United States	Corporate - Non Convertible	USD 180,000	239	211
SIRVA Worldwide Inc. Term Loan 1st Lien F/R 07-31-2025	United States	Term Loans	USD 895,473	1,147	945
SMI Acquisition Inc. Term Loan 1st Lien F/R 10-27-2024	United States	Term Loans	USD 680,768	872	599
SMI Acquisition Inc. Term Loan 2nd Lien F/R 10-27-2025	United States	Term Loans	USD 190,000	241	163
Source Energy Services Canada LP 10.50% 12-15-2021 Callable 2020	Canada	Corporate - Non Convertible	42,000	42	16
Source Energy Services Canada LP 10.50% 12-15-2021 Callable 2020 144A	Canada	Corporate - Non Convertible	170,000	180	65
Springs Window Fashion Holdings Inc. Term Loan 2nd Lien F/R 05-24-2026	United States	Term Loans	USD 1,210,000	1,450	1,442
Sprint Corp. 7.88% 09-15-2023	United States	Corporate - Non Convertible	USD 50,000	69	78
SRS Distribution Inc. Term Loan B 1st Lien F/R 05-24-2025	United States	Term Loans	USD 1,775,550	2,316	2,199
SS&C Technologies Inc. Term Loan B5 1st Lien F/R 04-16-2025	United States	Term Loans	USD 802,316	1,050	1,068
St. Joseph Energy Center LLC Term Loan 1st Lien F/R 04-06-2025	United States	Term Loans	USD 3,837,664	5,025	4,780
Star West Generation LLC Term Loan B 1st Lien F/R 03-13-2020	United States	Term Loans	USD 983,055	1,159	1,335
Starfruit US Holdco LLC 8.00% 10-01-2026 Callable 2021 144A	Netherlands	Corporate - Non Convertible	USD 400,000	509	539
Superior Industries International Inc. Term Loan B 1st Lien F/R 03-22-2024	United States	Term Loans	USD 2,324,189	2,947	2,437
Superior Plus LP 7.00% 07-15-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 470,000	623	651
Technimark LLC Term Loan 1st Lien F/R 08-08-2025	United States	Term Loans	USD 1,312,178	1,702	1,500
Teneo Holdings LLC Term Loan B 1st Lien F/R 07-12-2025	United States	Term Loans	USD 3,870,300	4,849	4,466
Tensar International Corp. Term Loan 2nd Lien F/R 07-09-2022	United States	Term Loans	USD 9,977	11	12
Terex Corp. Term Loan 1st Lien F/R 01-31-2024	United States	Term Loans	USD 77,600	102	100
Terra Bidco B C Ltd. Term Loan 1st Lien F/R 11-25-2026	Canada	Term Loans	USD 1,600,000	2,107	2,252
TerraForm Power Operating LLC 5.00% 01-31-2028 Callable 2027 144A	United States	Corporate - Non Convertible	USD 250,000	321	371
TerraForm Power Operating LLC 4.75% 01-15-2030 Callable 2025 144A	United States	Corporate - Non Convertible	USD 40,000	53	55
Terrier Media Buyer Inc. Term Loan B 1st Lien F/R 12-12-2026	United States	Term Loans	USD 2,822,925	3,702	3,605
Teva Pharmaceutical Industries Ltd. 2.80% 07-21-2023	Israel	Corporate - Non Convertible	USD 270,000	308	349
Titan Sub LLC Term Loan B 1st Lien F/R 09-19-2026	United States	Term Loans	USD 2,014,950	2,646	2,417
Triton Solar US Acquisition Co. Term Loan B 1st Lien F/R 10-12-2024	United States	Term Loans	USD 866,250	1,050	970
Trulieve Cannabis Corp. 9.75% 06-18-2024	United States	Corporate - Non Convertible	USD 620,000	764	796
Uber Technologies Inc. 8.00% 11-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 5,460,000	7,140	7,680
Ultra Clean Holdings Inc. Term Loan B 1st Lien F/R 08-27-2025	United States	Term Loans	USD 3,673,525	4,717	4,459
VeriFone Systems Inc. Term Loan 1st Lien F/R 08-09-2025	United States	Term Loans	USD 5,646,416	7,416	5,205
Vesta Energy Corp. 8.13% 07-24-2023 Callable 2020 144A	Canada	Corporate - Non Convertible	200,000	200	112
VFH Parent LLC Term Loan 1st Lien F/R 03-01-2026	United States	Term Loans	USD 171,139	227	223
VIP Cineman Holdings Inc. Term Loan 1st Lien F/R 03-01-2023	United States	Term Loans	USD 3,910,274	5,063	991
VRX Escrow Corp. 6.13% 04-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 10,000	13	14
Vungle Inc. Term Loan B 1st Lien F/R 09-30-2026	United States	Term Loans	USD 1,429,059	1,867	1,795
Vyair Medical Inc. Term Loan B 1st Lien F/R 04-06-2025	United States	Term Loans	USD 4,748,767	5,956	4,828
Western Dental Services Inc. Term Loan B 1st Lien F/R 06-30-2023	United States	Term Loans	USD 1,351,855	1,680	1,474



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SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
Wildbrain Ltd. 5.88% 09-30-2024 Conv.	Canada	Corporate - Convertible	160,000	150	96
Wolverine World Wide Inc. 8.50% 11-15-2024 Callable 2021 144A	United States	Corporate - Non Convertible	USD 870,000	1,141	984
Wolverine World Wide Inc. 13.13% 11-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 670,000	861	761
Yak Access LLC Term Loan B 2nd Lien F/R 06-29-2026	United States	Term Loans	USD 490,000	599	431
Zotec Partners LLC Term Loan Term B 1st Lien F/R 02-14-2024	United States	Term Loans	USD 2,105,877	2,697	2,697
Total bonds				395,094	344,422
EQUITIES					
AltaGas Ltd. Pfd. Series K	Canada	Utilities	1,230	31	20
Brookfield Asset Management Inc. Pfd. Series 46	Canada	Financials	547	14	11
Brookfield Asset Management Inc. Pfd. Series 48	Canada	Financials	7,540	189	147
Brookfield Renewable Partners LP Pfd. Series 11	Canada	Financials	1,760	43	31
Source Energy Services Ltd.	Canada	Energy	385	–	–
TC Energy Corp. Pfd. Series 15	Canada	Energy	981	25	20
TransAlta Corp. Pfd. Series A	Canada	Utilities	3,931	53	32
Trulieve Cannabis Corp. Purchase Warrants Exp. 06-18-2022	United States	Health Care	13,420	43	31
Total equities				398	292
OPTIONS					
Options purchased (see schedule of options purchased)				27	237
Total options				27	237
Transaction costs				(3)	–
Total investments				395,516	344,951
Derivative instruments (see schedule of derivative instruments)					(32,823)
Cash and cash equivalents					57,818
Other assets less liabilities					8,000
Total net assets					377,946



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SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2020	
Portfolio Allocation	% of NAV
Bonds	91.2
<i>Bonds</i>	91.1
<i>Purchased options</i>	0.1
Cash and short-term investments	15.3
Equities	0.1
Other assets (liabilities)	(6.6)

Regional Allocation	
Regional Allocation	% of NAV
United States	86.1
Cash and short-term investments	15.3
Canada	2.4
Netherlands	1.7
United Kingdom	0.4
United Arab Emirates	0.2
Ireland	0.2
Luxembourg	0.1
Israel	0.1
Other	0.1
Other assets (liabilities)	(6.6)

Sector Allocation	
Sector Allocation	% of NAV
Term loans	83.0
Cash and short-term investments	15.3
Corporate bonds	8.1
Financials	0.1
Other	0.1
Other assets (liabilities)	(6.6)

March 31, 2019	
Portfolio Allocation	% of NAV
Bonds	94.1
<i>Bonds</i>	94.1
<i>Purchased options</i>	0.0
Cash and short-term investments	7.1
Other assets (liabilities)	(1.2)

Regional Allocation	
Regional Allocation	% of NAV
United States	82.8
Canada	7.1
Cash and short-term investments	7.1
Netherlands	1.6
Luxembourg	1.3
Colombia	0.7
United Kingdom	0.3
France	0.1
Ireland	0.1
Israel	0.1
Other assets (liabilities)	(1.2)

Sector Allocation	
Sector Allocation	% of NAV
Term loans	87.4
Cash and short-term investments	7.1
Corporate bonds	6.7
Other assets (liabilities)	(1.2)



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SCHEDULE OF OPTIONS PURCHASED

As at March 31, 2020

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Paid (\$ 000s)	Fair Value (\$ 000s)
iShares iBoxx \$ High Yield Corporate Bond ETF	28	Put	May 15, 2020	85 USD	6	35
iShares iBoxx \$ High Yield Corporate Bond ETF	99	Put	Jun. 19, 2020	86 USD	15	149
iShares iBoxx \$ High Yield Corporate Bond ETF	33	Put	Jun. 19, 2020	87 USD	6	53
Total options					27	237



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SCHEDULE OF DERIVATIVE INSTRUMENTS

As at March 31, 2020

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	39,790	U.S. dollar	(55,817)	Canadian dollar	Apr. 3, 2020	55,817	55,996	179
A	21,916	U.S. dollar	(30,811)	Canadian dollar	Apr. 3, 2020	30,811	30,841	30
AA	3,982	Canadian dollar	(2,810)	U.S. dollar	Apr. 17, 2020	(3,982)	(3,954)	28
AA	6,000	U.S. dollar	(7,990)	Canadian dollar	Apr. 17, 2020	7,990	8,442	452
A	170	Euro	(264)	Canadian dollar	Apr. 20, 2020	264	264	–
A	22,620	Canadian dollar	(16,000)	U.S. dollar	Apr. 24, 2020	(22,620)	(22,511)	109
A	11,000	U.S. dollar	(14,743)	Canadian dollar	Apr. 24, 2020	14,743	15,474	731
A	5,000	U.S. dollar	(6,715)	Canadian dollar	Apr. 24, 2020	6,715	7,035	320
AA	5,000	U.S. dollar	(6,714)	Canadian dollar	Apr. 24, 2020	6,714	7,035	321
A	5,000	U.S. dollar	(6,715)	Canadian dollar	May 8, 2020	6,715	7,034	319
A	3,130	U.S. dollar	(4,205)	Canadian dollar	Jun. 12, 2020	4,205	4,402	197
AA	6,956	Canadian dollar	(4,900)	U.S. dollar	Jul. 17, 2020	(6,956)	(6,889)	67
Unrealized Gains								2,753
A	54,775	Canadian dollar	(41,916)	U.S. dollar	Apr. 3, 2020	(54,775)	(58,987)	(4,212)
A	51,989	Canadian dollar	(39,790)	U.S. dollar	Apr. 3, 2020	(51,989)	(55,996)	(4,007)
A	20,000	U.S. dollar	(28,728)	Canadian dollar	Apr. 3, 2020	28,728	28,146	(582)
AA	75,884	Canadian dollar	(58,300)	U.S. dollar	Apr. 17, 2020	(75,884)	(82,030)	(6,146)
AA	130	Canadian dollar	(89)	Euro	Apr. 17, 2020	(130)	(138)	(8)
AA	364	Canadian dollar	(250)	Euro	Apr. 17, 2020	(364)	(388)	(24)
AA	120	Euro	(188)	Canadian dollar	Apr. 17, 2020	188	186	(2)
AA	75	Euro	(118)	Canadian dollar	Apr. 17, 2020	118	116	(2)
AA	280	Euro	(438)	Canadian dollar	Apr. 17, 2020	438	435	(3)
A	3,172	Canadian dollar	(2,170)	Euro	Apr. 22, 2020	(3,172)	(3,370)	(198)
A	111	Canadian dollar	(71)	Euro	Apr. 22, 2020	(111)	(111)	–
A	186	Canadian dollar	(120)	Euro	Apr. 22, 2020	(186)	(186)	–
AA	5,350	Canadian dollar	(4,100)	U.S. dollar	Apr. 24, 2020	(5,350)	(5,768)	(418)
A	74,722	Canadian dollar	(57,168)	U.S. dollar	May 8, 2020	(74,722)	(80,419)	(5,697)
A	75,881	Canadian dollar	(58,055)	U.S. dollar	May 8, 2020	(75,881)	(81,667)	(5,786)
A	46,300	U.S. dollar	(65,437)	Canadian dollar	May 8, 2020	65,437	65,131	(306)
AA	3,311	Canadian dollar	(2,500)	U.S. dollar	May 22, 2020	(3,311)	(3,516)	(205)
A	42,656	Canadian dollar	(32,190)	U.S. dollar	Jun. 12, 2020	(42,656)	(45,270)	(2,614)
A	28,357	Canadian dollar	(21,395)	U.S. dollar	Jun. 12, 2020	(28,357)	(30,089)	(1,732)
AA	48,796	Canadian dollar	(36,496)	U.S. dollar	Jun. 19, 2020	(48,796)	(51,323)	(2,527)
A	15,552	Canadian dollar	(11,640)	U.S. dollar	Jun. 19, 2020	(15,552)	(16,369)	(817)
A	4,642	Canadian dollar	(3,370)	U.S. dollar	Jun. 19, 2020	(4,642)	(4,739)	(97)
A	55,767	Canadian dollar	(39,790)	U.S. dollar	Jul. 10, 2020	(55,767)	(55,946)	(179)
A	12,521	Canadian dollar	(8,915)	U.S. dollar	Jul. 10, 2020	(12,521)	(12,535)	(14)
Unrealized (Losses)								(35,576)
Total forward currency contracts								(32,823)
Total derivative instruments at fair value								(32,823)



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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 periods ended or as at March 31, 2020 and 2019, 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 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 July 13, 2020.

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 period-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 FVTPL. Mackenzie has concluded that any unlisted open-ended investment funds and exchange-traded funds in which the ETF invests, do 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 derivatives. 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, 2020.

(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 the Statement of Comprehensive Income – expenses absorbed by Manager.

(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.

The outbreak of the novel coronavirus (COVID-19) developed rapidly over the first three months of 2020, with the World Health Organization declaring it a pandemic on March 11, 2020, and governments around the world enacting emergency measures that resulted in business disruptions, volatility in markets and a global economic slowdown.

The Manager uses judgment in assessing the impact from such events on assumptions and estimates applied in reporting the assets and liabilities in the ETF's financial statements at March 31, 2020.

The duration and impact of the COVID-19 pandemic on businesses and markets, and the extent of economic relief measures provided by governments and central banks, are unknown at the reporting date and it is therefore not possible to reliably estimate the impact on the financial results and position of the ETF in future periods.

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.

NOTES TO FINANCIAL STATEMENTS

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.

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/redeemed for subscription/redemption 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 any 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, 2020 and 2019 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, 2020, grouped by asset type, with geographic and sector information.

NOTES TO FINANCIAL STATEMENTS

9. Financial Instruments Risk (cont'd)

i. Risk exposure and management (cont'd)

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.

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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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 MFT 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, 2020 was \$16.78 (2019 – \$20.89).

The management fee rate for Series E units is 0.60%.

As at March 31, 2020, the ETF's NAV per units was \$17.40 (2019 – \$20.95) and its Net Assets per unit calculated in accordance with IFRS was \$17.42 (2019 – \$20.98).

(b) Investments by Mackenzie and Affiliates

As at March 31, 2020, other funds managed by Mackenzie, I.G. Investment Management, Ltd. and Counsel Portfolio Services Inc., both of which are affiliates of Mackenzie, had an investment of \$15,967, \$5,387 and \$Nil (2019 – \$46,597, \$6,489 and \$1,970), respectively, 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 March 31, 2020 and 2019, were as follows:

	March 31, 2020	March 31, 2019
	(\$)	(\$)
Value of securities loaned	–	56
Value of collateral received	–	59

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, 2020 and 2019 is as follows:

	2020		2019	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	15	100.0	19	100.0
Tax withheld	(4)	(26.7)	(4)	(21.1)
	11	73.3	15	78.9
Payments to Securities Lending Agent	(3)	(20.0)	(3)	(15.8)
Securities lending income	8	53.3	12	63.1



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

(e) 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, 2020			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	2,753	(2,753)	–	–
Unrealized losses on derivative contracts	(35,576)	2,753	–	(32,823)
Liability for options written	–	–	–	–
Total	(32,823)	–	–	(32,823)

	March 31, 2019			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	618	–	–	618
Unrealized losses on derivative contracts	(144)	–	–	(144)
Liability for options written	–	–	–	–
Total	474	–	–	474

(f) Risks Associated with Financial Instruments

i. Risk exposure and management

The ETF seeks to generate current income by investing primarily in floating-rate debt instruments and/or high-yield debt securities of issuers located anywhere in the world. The ETF invests in senior loans, which are generally rated below investment grade debt. Settlement periods for senior secured loans may be longer than for other types of debt securities, such as corporate bonds. The ETF is not a substitute for holding cash or money market securities.

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	March 31, 2020			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
Euro	3,288	251	(3,192)	347
Japanese yen	–	(6,667)	–	(6,667)
U.S. dollar	338,231	27,708	(388,472)	(22,533)
Total	341,519	21,292	(391,664)	(28,853)
% of Net Assets	90.4	5.6	(103.6)	(7.6)



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

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

ii. Currency risk (cont'd)

Currency	March 31, 2019			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
Euro	4,017	28	(3,962)	83
U.S. dollar	620,971	38,302	(660,958)	(1,685)
Total	624,988	38,330	(664,920)	(1,602)
% of Net Assets	93.0	5.7	(98.9)	(0.2)

* Includes both monetary and non-monetary financial instruments

As at March 31, 2020, had the Canadian dollar increased or decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have increased or decreased by approximately \$1,443 or 0.4% of total net assets (2019 – increased or decreased by \$80 or 0.0%).

iii. Interest rate risk

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

Bonds	March 31, 2020	March 31, 2019
	(\$)	(\$)
Less than 1 year	1,335	4,247
1-5 years	109,950	158,870
5-10 years	228,275	468,926
Greater than 10 years	4,862	876
Total	344,422	632,919

As at March 31, 2020, 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 \$1,788 or 0.5% (2019 – \$2,237 or 0.3%) 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 \$1,794 or 0.5% (2019 – \$2,273 or 0.3%) 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, 2020 and 2019, the ETF did not have a significant exposure to price risk.



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

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

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, 2020, was 16.7% of the net assets of the ETF (2019 – 2.2%).

As at March 31, 2020 and 2019, debt securities by credit rating are as follows:

Bond Rating*	March 31, 2020	March 31, 2019
	% of Net Assets	% of Net Assets
BBB	0.2	1.0
BB	18.6	20.4
B	48.6	61.7
Less than B	12.8	5.5
Unrated	10.9	5.5
Total	91.1	94.1

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

(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.

	March 31, 2020				March 31, 2019			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	344,422	–	344,422	–	632,919	–	632,919
Equities	292	–	–	292	326	–	–	326
Options	237	–	–	237	35	–	–	35
Derivative assets	–	2,753	–	2,753	–	1,282	–	1,282
Derivative liabilities	–	(35,576)	–	(35,576)	–	(5,287)	–	(5,287)
Total	529	311,599	–	312,128	361	628,914	–	629,275

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 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.



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