

# MACKENZIE GLOBAL HIGH YIELD FIXED 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 Global High Yield Fixed 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 Global High Yield Fixed 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.

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ACTIVE FIXED INCOME ETF

## 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



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ACTIVE FIXED INCOME ETF

## STATEMENTS OF FINANCIAL POSITION

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

	2020	2019
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Investments at fair value	171,850	162,450
Cash and cash equivalents	16,530	11,801
Accrued interest receivable	3,017	2,438
Dividends receivable	1	16
Accounts receivable for investments sold	1,360	1,689
Accounts receivable for units issued	–	–
Margin on derivatives	239	–
Unrealized gains on derivative contracts	974	83
<b>Total assets</b>	<b>193,971</b>	<b>178,477</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable for investments purchased	2,355	4,276
Accounts payable for units redeemed	–	–
Due to manager	111	115
Unrealized losses on derivative contracts	9,082	1,743
<b>Total liabilities</b>	<b>11,548</b>	<b>6,134</b>
<b>Net assets attributable to unitholders</b>	<b>182,423</b>	<b>172,343</b>
<b>Net assets attributable to unitholders per series (note 3)</b>		
Series E	182,423	172,343
<b>Net assets attributable to unitholders per unit (note 3)</b>		
Series E	17.80	19.26

## STATEMENTS OF COMPREHENSIVE INCOME

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

	2020	2019
	\$	\$
<b>Income</b>		
Dividends	235	184
Interest income	10,945	10,934
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	3,684	(7,343)
Net unrealized gain (loss)	(19,904)	3,987
Securities lending income	42	21
Other	78	52
<b>Total income (loss)</b>	<b>(4,920)</b>	<b>7,835</b>
<b>Expenses (note 6)</b>		
Management fees	1,261	1,286
Management fee rebates	(1,202)	(1,263)
Interest charges	3	–
Commissions and other portfolio transaction costs	45	49
Independent Review Committee fees	1	1
Other	1	–
<b>Expenses before amounts absorbed by Manager</b>	<b>109</b>	<b>73</b>
Expenses absorbed by Manager	–	–
<b>Net expenses</b>	<b>109</b>	<b>73</b>
<b>Increase (decrease) in net assets attributable to unitholders from operations before tax</b>	<b>(5,029)</b>	<b>7,762</b>
Foreign withholding taxes	–	2
Foreign income taxes paid (recovered)	–	–
<b>Increase (decrease) in net assets attributable to unitholders from operations</b>	<b>(5,029)</b>	<b>7,760</b>
<b>Increase (decrease) in net assets attributable to unitholders from operations per series</b>		
Series E	(5,029)	7,760
<b>Increase (decrease) in net assets attributable to unitholders from operations per unit</b>		
Series E	(0.51)	0.81

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



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ACTIVE FIXED INCOME ETF

## STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	2020	2019
	<b>Series E</b>	
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<b>\$</b>	
<b>Beginning of period</b>	<b>172,343</b>	<b>190,170</b>
Increase (decrease) in net assets from operations	(5,029)	7,760
Distributions paid to unitholders:		
Investment income	(9,011)	(9,840)
Capital gains	–	–
Management fee rebates	(1,202)	(1,263)
Total distributions paid to unitholders	(10,213)	(11,103)
Unit transactions:		
Proceeds from units issued	32,157	5,829
Reinvested distributions	–	–
Payments on redemption of units	(6,835)	(20,313)
Total unit transactions	25,322	(14,484)
<b>Total increase (decrease) in net assets</b>	<b>10,080</b>	<b>(17,827)</b>
<b>End of period</b>	<b>182,423</b>	<b>172,343</b>
	<b>Units</b>	
<b>Increase (decrease) in units (note 7):</b>		
<b>Units outstanding – beginning of period</b>	<b>8,950</b>	<b>9,700</b>
Issued	1,650	300
Reinvested distributions	–	–
Redeemed	(350)	(1,050)
<b>Units outstanding – end of period</b>	<b>10,250</b>	<b>8,950</b>

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



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ACTIVE FIXED INCOME ETF

## STATEMENTS OF CASH FLOWS

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

	2020	2019
	\$	\$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to unitholders from operations	(5,029)	7,760
Adjustments for:		
Net realized loss (gain) on investments	(2,512)	3,454
Change in net unrealized loss (gain) on investments	19,904	(3,987)
Purchase of investments	(140,896)	(125,285)
Proceeds from sale and maturity of investments	118,583	141,632
Change in accrued interest receivable	(579)	(81)
Change in dividends receivable	15	(1)
Change in margin on derivatives	(239)	–
Change in due to manager	(4)	(7)
<b>Net cash from operating activities</b>	<b>(10,757)</b>	<b>23,485</b>
<b>Cash flows from financing activities</b>		
Proceeds from units issued	32,157	5,829
Payments on redemption of units	(6,835)	(20,313)
Distributions paid net of reinvestments	(10,213)	(11,103)
<b>Net cash from financing activities</b>	<b>15,109</b>	<b>(25,587)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4,352</b>	<b>(2,102)</b>
Cash and cash equivalents at beginning of period	11,801	14,153
Effect of exchange rate fluctuations on cash and cash equivalents	377	(250)
<b>Cash and cash equivalents at end of period</b>	<b>16,530</b>	<b>11,801</b>
Cash	16,530	11,801
Cash equivalents	–	–
<b>Cash and cash equivalents at end of period</b>	<b>16,530</b>	<b>11,801</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	250	183
Foreign taxes paid	–	2
Interest received	10,366	10,853
Interest paid	3	–

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



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ACTIVE FIXED INCOME ETF

## SCHEDULE OF INVESTMENTS

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS</b>					
AAC holdings Inc. Term Loan 1st Lien F/R 06-30-2023	United States	Term Loans	USD 65,619	82	40
Adtalem Global Education Inc. Term Loan B 1st Lien F/R 04-09-2025	United States	Term Loans	USD 68,652	87	88
Advanced Micro Devices Inc. 7.50% 08-15-2022	United States	Corporate - Non Convertible	USD 660,000	999	992
AerCap Holdings NV F/R 10-10-2079 Callable 2024	Ireland	Corporate - Non Convertible	USD 570,000	760	558
AerCap Ireland Capital Designated Activity Co. 4.88% 01-16-2024 Callable 2023	Ireland	Corporate - Non Convertible	USD 830,000	1,125	1,006
AG Merger Sub II Inc. Term Loan B 1st Lien F/R 08-01-2026	United States	Term Loans	USD 19,750	26	21
Albertsons Cos. Inc. 4.63% 01-15-2027 Callable 2023 144A	United States	Corporate - Non Convertible	USD 10,000	13	14
Albertsons Cos. Inc. 5.88% 02-15-2028 Callable 2022 144A	United States	Corporate - Non Convertible	USD 200,000	280	288
Albertsons Cos. Inc. 4.88% 02-15-2030 Callable 2025 144A	United States	Corporate - Non Convertible	USD 750,000	985	1,061
Alcami Carolinas Corp. Term Loan 1st Lien F/R 07-06-2025	United States	Term Loans	USD 78,800	103	101
Alchemy US Holdco LLC Term Loan B 1st Lien F/R 10-01-2025	United States	Term Loans	USD 98,250	126	122
Alcoa Nederland Holding BV 6.13% 05-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 700,000	896	902
Alpha Holding SA de CV 9.00% 02-10-2025 Callable 2023	Mexico	Corporate - Non Convertible	USD 440,000	580	432
Altice France SA 2.13% 02-15-2025 Callable 2022	France	Corporate - Non Convertible	EUR 550,000	794	784
Altice France 5.50% 01-15-2028 Callable 2022 144A	France	Corporate - Non Convertible	USD 230,000	306	305
Anheuser-Busch InBev Finance Inc. 2.60% 05-15-2024 Callable 2024	Belgium	Corporate - Non Convertible	240,000	240	235
APFS Staffing Holdings Inc. Term Loan 1st Lien F/R 04-10-2026	United States	Term Loans	USD 59,550	78	69
Arcos Dorados Holdings Inc. 6.63% 09-27-2023	Uruguay	Corporate - Non Convertible	USD 100,000	147	129
Arcos Dorados Holdings Inc. 5.88% 04-04-2027 Callable 2022	Uruguay	Corporate - Non Convertible	USD 950,000	1,310	1,108
ARD Finance SA 6.50% 06-30-2027 Callable 2022 144A	Luxembourg	Corporate - Non Convertible	USD 240,000	319	292
Ardonagh Midco 3 PLC 8.63% 07-15-2023 Callable 2020	United Kingdom	Corporate - Non Convertible	USD 600,000	707	759
Aroundtown SA 4.63% 09-18-2025 Callable 2025	Germany	Corporate - Non Convertible	50,000	50	52
Ascend Performance Materials Operations LLC Term Loan B 1st Lien F/R 08-16-2026	United States	Term Loans	USD 89,550	116	112
Ashtead US Holdings Inc. 4.00% 05-01-2028	United Kingdom	Corporate - Non Convertible	USD 340,000	444	414
Ashtead US Holdings Inc. 4.25% 11-01-2029	United Kingdom	Corporate - Non Convertible	USD 1,070,000	1,409	1,286
Ball Metalpack Finco LLC Term Loan B 1st Lien F/R 07-26-2025	United States	Term Loans	USD 58,950	77	64
Bausch Health Cos Inc. 5.50% 11-01-2025 Callable 144A	United States	Corporate - Non Convertible	USD 220,000	304	315
Bausch Health Cos Inc. 8.50% 01-31-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 480,000	682	710
Bausch Health Cos. Inc. 5.88% 05-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 128,000	169	180
Baytex Energy Corp. 5.63% 06-01-2024 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 520,000	615	277
BCPE Cycle Merger Sub II Inc. 10.63% 07-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 980,000	1,310	1,177
The Boeing Co. 2.95% 02-01-2030 Callable 2029	United States	Corporate - Non Convertible	USD 10,000	11	13
Bombardier Inc. 6.00% 10-15-2022 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 420,000	508	448
Bright Bidco BV Term Loan B 1st Lien F/R 06-30-2024	Netherlands	Term Loans	USD 35,400	47	19
Brookfield Residential Properties Inc. 6.25% 09-15-2027 Callable 2022 144A	Canada	Corporate - Non Convertible	USD 405,000	537	498
Bulldog Purchaser Inc. Term Loan B 1st Lien F/R 08-31-2025	United States	Term Loans	USD 69,158	89	80
BWAY Corp. Term Loan B 1st Lien F/R 04-03-2024	United States	Term Loans	USD 446,087	558	519
BWAY Holding Co. 7.25% 04-15-2025 144A	United States	Corporate - Non Convertible	USD 832,000	1,084	940
C&D Technologies Inc. Term Loan B 1st Lien F/R 12-13-2025	United States	Term Loans	USD 59,200	70	75
Calfrac Holdings LP 8.50% 06-15-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 240,000	281	29
California Resources Corp. 8.00% 12-15-2022 Callable 2020 144A	United States	Corporate - Non Convertible	USD 990,000	959	31



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ACTIVE FIXED INCOME ETF

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
CareCentrix Inc. Term Loan 1st Lien F/R 03-22-2025	United States	Term Loans	USD 132,021	170	131
Casablanca US Holdings Inc. Term Loan 1st Lien F/R 03-31-2024	United States	Term Loans	USD 117,477	151	136
Cascades Inc. 5.13% 01-15-2025 Callable 2022	Canada	Corporate - Non Convertible	380,000	380	372
Cascades Inc. 5.13% 01-15-2026 Callable 2023 144A	Canada	Corporate - Non Convertible	USD 840,000	1,113	1,153
CCO Holdings LLC 4.00% 03-01-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 190,000	239	268
CCO Holdings LLC 5.88% 04-01-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 250,000	335	363
CCO Holdings LLC 5.38% 06-01-2029 Callable 2024 144A	United States	Corporate - Non Convertible	USD 490,000	692	712
CCO Holdings LLC 4.75% 03-01-2030 Callable 2024 144A	United States	Corporate - Non Convertible	USD 750,000	993	1,056
CCS-CMGC Holdings Inc. Term Loan 1st Lien F/R 09-25-2025	United States	Term Loans	USD 49,375	63	56
CenturyLink Inc. 4.00% 02-15-2027 Callable 2023 144A	United States	Corporate - Non Convertible	USD 230,000	300	316
CEVA Logistics Finance BV Term Loan B 1st Lien F/R 08-03-2025	United States	Term Loans	USD 79,400	101	63
Citadel Securities LP Term Loan B 1st Lien F/R 02-27-2026	United States	Term Loans	USD 186,061	244	238
Civitas Solutions Inc. Term Loan 1st Lien F/R 02-05-2026	United States	Term Loans	USD 35,788	47	46
Clarity Telecom LLC Term Loan 1st Lien F/R 06-27-2026	United States	Term Loans	USD 49,626	64	59
Commonwealth of Bahamas 5.75% 01-16-2024	Bahamas	Foreign Governments	USD 1,150,000	1,605	1,507
Commonwealth of Bahamas 6.95% 11-20-2029	Bahamas	Foreign Governments	USD 70,000	104	92
CommScope Technologies Finance LLC 8.25% 03-01-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 600,000	800	819
CommScope Technologies LLC 5.00% 03-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 920,000	1,042	1,133
Concho Resources Inc. 3.75% 10-01-2027 Callable 2027	United States	Corporate - Non Convertible	USD 460,000	580	550
Concrete Pumping Merger Sub Inc. Term Loan 1st Lien F/R 11-14-2025	United States	Term Loans	USD 56,263	72	70
Connect Finco SARL Term Loan B 1st Lien F/R 09-23-2026	United Kingdom	Term Loans	USD 38,000	49	43
Connect Finco SARL 6.75% 10-01-2026	United Kingdom	Corporate - Non Convertible	USD 650,000	862	759
Constellium NV 6.63% 03-01-2025 Callable 2020 144A	Netherlands	Corporate - Non Convertible	USD 140,000	187	179
Constellium NV 4.25% 02-15-2026 Callable 2020	Netherlands	Corporate - Non Convertible	EUR 280,000	418	327
Constellium NV 5.88% 02-15-2026 Callable 2020 144A	Netherlands	Corporate - Non Convertible	USD 1,350,000	1,734	1,667
CoolSys Inc. Delayed Draw Term Loan 1st Lien F/R 12-31-2049	United States	Term Loans	USD 13,091	17	18
CoolSys Inc. Term Loan 1st Lien 12-31-2049	United States	Term Loans	USD 76,717	100	105
Crown Subsea Communications Holding Inc. Term Loan 1st Lien F/R 11-02-2025	United States	Term Loans	USD 43,644	56	54
CVR Partners LP 9.25% 06-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 330,000	466	375
CVS Health Corp. 3.70% 03-09-2023 Callable 2023	United States	Corporate - Non Convertible	USD 80,000	117	117
DaVita Healthcare Partners Inc. 5.00% 05-01-2025 Callable 2020	United States	Corporate - Non Convertible	USD 870,000	1,065	1,230
Diamond Sports Group LLC 5.38% 08-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 1,000,000	1,343	1,151
Diamond Sports Group LLC 6.63% 08-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 310,000	404	294
Diamondback Energy Inc. 3.25% 12-01-2026 Callable 2026	United States	Corporate - Non Convertible	USD 170,000	177	170
Diamondback Energy Inc. 3.50% 12-01-2029 Callable 2029	United States	Corporate - Non Convertible	USD 690,000	710	664
DMT Solutions Global Corp. Term Loan 1st Lien F/R 06-25-2024	United States	Term Loans	USD 27,375	35	34
Dollar General Corp. 4.13% 05-01-2028 Callable 2028	United States	Corporate - Non Convertible	USD 80,000	120	119
Dominican Republic 7.45% 04-30-2044	Dominican Republic	Foreign Governments	USD 280,000	389	386
Drax Group PLC 6.63% 11-01-2025 Callable 2021 144A	United Kingdom	Corporate - Non Convertible	USD 1,100,000	1,423	1,562
Drive Chassis Holdco LLC Term Loan 2nd Lien F/R 04-12-2026	United States	Term Loans	USD 30,000	38	31
DRW Holdings LLC Term Loan 1st Lien F/R 11-26-2026	United States	Term Loans	USD 39,900	52	51



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ACTIVE FIXED INCOME ETF

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
DynCorp International Inc. Term Loan B 1st Lien F/R 08-15-2025	United States	Term Loans	USD 146,250	189	177
Eastern Power LLC Term Loan B 1st Lien F/R 10-02-2023	United States	Term Loans	USD 37,979	50	47
Edgewell Personal Care Co. Term Loan B 1st Lien F/R 09-20-2026	United States	Term Loans	USD 25,000	33	35
eG Global Finance PLC 6.75% 02-07-2025 Callable 2021 144A	United Kingdom	Corporate - Non Convertible	USD 2,230,000	2,957	2,594
Electrical Components International Inc. Term Loan 1st Lien F/R 06-22-2025	United States	Term Loans	USD 88,425	116	95
Electrical Components International Inc. Term Loan 2nd Lien F/R 06-22-2026	United States	Term Loans	USD 20,000	25	26
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate - Non Convertible	3,050,000	3,026	2,523
EnTrans International LLC Term Loan 1st Lien F/R 10-29-2025	United States	Term Loans	USD 73,000	95	88
Exela Intermediate LLC 10.00% 07-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 260,000	315	99
FAGE International SA/FAGE USA Dairy Industry Inc. 5.63% 08-15-2026 Callable 2021 144A	Luxembourg	Corporate - Non Convertible	USD 1,445,000	1,841	1,624
Fair Isaac Corp. 4.00% 06-15-2028 Callable 2022 144A	United States	Corporate - Non Convertible	USD 750,000	999	1,008
Fairfax Financial Holdings Ltd. 4.50% 03-22-2023	Canada	Corporate - Non Convertible	310,000	331	318
First American Payment Systems LP Term Loan B 1st Lien F/R 02-21-2027	United States	Term Loans	USD 90,000	118	112
First Eagle Holdings Inc. Term Loan B 1st lien F/R 02-17-2027	United States	Term Loans	USD 118,827	155	143
First Quantum Minerals Ltd. 7.25% 04-01-2023 Callable 2020 144A	Zambia	Corporate - Non Convertible	USD 1,000,000	1,321	1,194
Forming Machining Industries Holdings LLC Term Loan 1st Lien F/R 10-03-2025	United States	Term Loans	USD 69,125	89	77
Foxtrot Escrow Issuer LLC 12.25% 11-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 877,000	1,127	970
Fresenius US Finance II Inc. 4.25% 02-01-2021 144A	Germany	Corporate - Non Convertible	USD 750,000	1,068	1,061
Frontera Generation Holdings LLC Term Loan B 1st Lien F/R 04-25-2025	United States	Term Loans	USD 78,587	100	82
Fusion Connect Inc. Term Loan B 1st Lien F/R 05-03-2023	United States	Term Loans	USD 32,422	35	17
FXI Holdings Inc. 7.88% 11-01-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 410,000	525	394
GBT III BV Term Loan 1st Lien F/R 02-27-2027	Netherlands	Term Loans	USD 65,310	86	80
GBT US III LLC Term Loan Delayed Draw 1st Lien F/R 02-27-2027	United States	Term Loans	USD 54,690	72	67
GEMS MENASA (Cayman) Ltd. Term Loan B 1st Lien F/R 07-30-2026	United Arab Emirates	Term Loans	USD 19,701	26	23
GFL Environmental Inc. Term Loan B 1st Lien F/R 05-31-2025	Canada	Term Loans	USD 428,291	561	587
GFL Environmental Inc. 5.63% 05-01-2022 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 357,000	471	511
GFL Environmental Inc. 7.00% 06-01-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 702,000	904	965
GFL Environmental Inc. 5.13% 12-15-2026 Callable 2022 144A	Canada	Corporate - Non Convertible	USD 240,000	317	332
Gibson Energy Inc. 5.25% 07-15-2024 Callable 2020 REGS	Canada	Corporate - Non Convertible	2,213,000	2,212	2,231
GLOBALFOUNDRIES Inc. Term Loan B 1st Lien F/R 05-24-2026	United States	Term Loans	USD 158,800	211	192
Government of Argentina 5.88% 01-11-2028	Argentina	Foreign Governments	USD 715,000	853	280
Government of Argentina 6.88% 01-11-2048	Argentina	Foreign Governments	USD 210,000	260	79
Government of Bermuda 4.85% 02-06-2024	Bermuda	Foreign Governments	USD 40,000	58	57
Government of Brazil 10.00% 01-01-2029	Brazil	Foreign Governments	BRL 200,000	78	63
Government of China 3.13% 11-21-2029	China	Foreign Governments	CNY 41,000,000	8,126	8,514
Government of Mexico 7.50% 06-03-2027	Mexico	Foreign Governments	MXN 12,280,000	834	741
Government of Mexico 8.50% 05-31-2029	Mexico	Foreign Governments	MXN 2,530,000	188	162
Gray Escrow Inc. 7.00% 05-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 110,000	144	155
Greenhill & Co. Inc. Term Loan B 1st Lien F/R 04-05-2024	United States	Term Loans	USD 28,000	37	35



**MACKENZIE**  
Investments



# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ACTIVE FIXED INCOME ETF

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Grifols Worldwide Operations Ltd. Term Loan B 1st Lien F/R 11-25-2026	United States	Term Loans	USD 294,620	389	396
Grupo GICSA SAB de CV 9.50% 12-18-2034	Mexico	Corporate - Non Convertible	MXN 3,100,000	212	171
Guala Closures SpA F/R 04-15-2024 Callable 2020	Italy	Corporate - Non Convertible	EUR 1,240,000	1,895	1,724
Hadrian Merger Sub Inc. 8.50% 05-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 750,000	947	795
Halo Buyer Inc. Term Loan 1st Lien F/R 06-28-2025	United States	Term Loans	USD 39,301	51	45
HCA Healthcare Inc. 3.50% 09-01-2030 Callable 2030	United States	Corporate - Non Convertible	USD 1,770,000	2,347	2,268
HCA Inc. 5.88% 02-01-2029 Callable 2028	United States	Corporate - Non Convertible	USD 130,000	194	194
Heathrow Funding Ltd. 3.25% 05-21-2025	United Kingdom	Corporate - Non Convertible	1,050,000	1,076	1,076
Heathrow Funding Ltd. 3.40% 03-08-2028	United Kingdom	Corporate - Non Convertible	130,000	130	131
Heathrow Funding Ltd. 3.79% 09-04-2030 Callable 2030	United Kingdom	Corporate - Non Convertible	50,000	50	51
Heritage Power LLC Term Loan B 1st Lien F/R 07-08-2026	United States	Term Loans	USD 89,550	114	104
Horizon Therapeutics PLC 5.50% 08-01-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 840,000	1,100	1,193
II-VI Inc. Term Loan B 1st Lien F/R 05-08-2026	United States	Term Loans	USD 119,400	159	141
INEOS Enterprises Holdings US Finco LLC Term Loan B 1st Lien F/R 07-29-2026	United States	Term Loans	USD 63,990	83	81
Ineos US Finance LLC Term Loan B 1st Lien F/R 03-31-2024	Luxembourg	Term Loans	USD 766,171	999	955
Innovative Water Care Global Corp. Term Loan 1st Lien F/R 02-27-2026	United States	Term Loans	USD 89,100	111	69
Institutional Shareholder Services Inc. Term Loan 1st Lien F/R 02-26-2026	United States	Term Loans	USD 79,200	104	93
Intel Corp. 2.45% 11-15-2029 Callable 2029	United States	Corporate - Non Convertible	USD 28,000	38	40
Intelsat Jackson Holdings SA 8.50% 10-15-2024 Callable 2020 144A	Luxembourg	Corporate - Non Convertible	USD 130,000	172	116
Inter Pipeline Ltd. F/R 03-26-2079 Callable 2029	Canada	Corporate - Non Convertible	2,060,000	2,083	1,787
Inter Pipeline Ltd. F/R 11-19-2079 Callable 2029	Canada	Corporate - Non Convertible	680,000	680	571
Interior Logic Group Holdings IV LLC Term Loan B 1st Lien F/R 05-21-2025	United States	Term Loans	USD 49,250	63	60
Iris Merger Sub 2019 Inc. 9.38% 02-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 290,000	385	399
Iron Mountain Canada Operations ULC 5.38% 09-15-2023 Callable 2020	United States	Corporate - Non Convertible	1,080,000	1,134	1,125
Jane Street Group LLC Term Loan B 1st Lien F/R 01-31-2025	United States	Term Loans	USD 118,974	158	152
JBS Investments II GmbH 5.75% 01-15-2028 Callable 2022 144A	United States	Corporate - Non Convertible	USD 640,000	837	879
JBS USA LUX SA Term Loan B 1st Lien F/R 05-01-2026	United States	Term Loans	USD 257,387	341	342
JBS USA Lux SA 5.88% 07-15-2024 Callable 2020 144A	Brazil	Corporate - Non Convertible	USD 610,000	834	872
Jefferies Finance LLC Term Loan 1st Lien F/R 05-21-2026	United States	Term Loans	USD 29,775	40	35
Keane Group Holdings LLC Term Loan B 1st Lien F/R 05-18-2025	United States	Term Loans	USD 68,775	88	65
Kestrel Acquisition LLC Term Loan B 1st Lien F/R 05-02-2025	United States	Term Loans	USD 49,248	65	42
Kestrel Bidco Inc. Term Loan 1st Lien F/R 08-07-2026	Canada	Term Loans	USD 129,675	171	144
Keyera Corp. F/R 06-13-2079 Callable 2029	Canada	Corporate - Non Convertible	2,370,000	2,391	2,108
Keystone Peer Review Organization Holdings Inc. Term Loan 1st Lien F/R 05-01-2024	United States	Term Loans	USD 120,938	162	140
The Kraft Heinz Co. 5.00% 06-04-2042	United States	Corporate - Non Convertible	USD 490,000	665	656
Kraft Heinz Foods Co. 3.00% 06-01-2026 Callable 2026	United States	Corporate - Non Convertible	USD 490,000	648	672
The Kroger Co. 3.95% 01-15-2050 Callable 2049	United States	Corporate - Non Convertible	USD 40,000	57	59
Kruger Products LP 6.00% 04-24-2025 Callable 2021	Canada	Corporate - Non Convertible	930,000	930	863
L&W Inc. Term Loan 1st Lien F/R 05-17-2025	United States	Term Loans	USD 64,547	83	74



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ACTIVE FIXED INCOME ETF

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
LABL Escrow Issuer LLC 6.75% 07-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 320,000	428	417
LABL Escrow Issuer LLC 10.50% 07-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 869,000	1,162	1,149
Lamb Weston Holdings Inc. 4.63% 11-01-2024 Callable 2021 144A	United States	Corporate - Non Convertible	USD 990,000	1,291	1,381
Lamb Weston Holdings Inc. 4.88% 11-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 860,000	1,148	1,238
LifeMiles Ltd. Term Loan B 1st Lien F/R 08-18-2022	Colombia	Term Loans	USD 191,118	246	219
LifeScan Global Corp. Term Loan 1st Lien F/R 06-19-2024	United States	Term Loans	USD 102,717	132	116
LifeScan Global Corp. Term Loan 2nd Lien F/R 06-19-2025	United States	Term Loans	USD 40,000	51	38
Lions Gate Capital Holdings LLC 6.38% 02-01-2024 Callable 2021 144A	United States	Corporate - Non Convertible	USD 80,000	107	100
Live Nation Entertainment Inc. 4.75% 10-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 150,000	200	189
Loblaw Companies Ltd. 4.49% 12-11-2028 Callable 2028	Canada	Corporate - Non Convertible	140,000	154	152
Mattel Inc. 3.15% 03-15-2023 Callable 2022	United States	Corporate - Non Convertible	USD 540,000	702	721
Matterhorn Merger Sub LLC 8.50% 06-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 890,000	1,139	1,002
MEG Energy Corp. 7.00% 03-31-2024 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 257,000	288	169
MEG Energy Corp. 7.13% 02-01-2027 Callable 2023 144A	Canada	Corporate - Non Convertible	USD 650,000	853	459
Meredith Corp. Term Loan B 1st Lien F/R 01-31-2025	United States	Term Loans	USD 405,650	536	511
Meredith Corp. 6.88% 02-01-2026 Callable 2021	United States	Corporate - Non Convertible	USD 580,000	741	722
Metronet Systems Holding LLC Term Loan 1st Lien F/R 12-31-2049	United States	Term Loans	USD 59,700	79	80
Millar Western Forest Products Ltd. 9.50% 06-20-2023 Callable 2020	Canada	Corporate - Non Convertible	480,000	480	346
Minotaur Acquisition Inc. Term Loan 1st Lien F/R 02-27-2026	United States	Term Loans	USD 89,075	115	106
MSCI Inc. 3.63% 09-01-2030 Callable 2025 144A	United States	Corporate - Non Convertible	USD 210,000	283	282
Multi-Color Corp. Term Loan B 1st Lien F/R 06-17-2026	United States	Term Loans	USD 69,650	92	83
MyNEXUS Inc. Term Loan 1st Lien F/R 06-19-2024	United States	Term Loans	USD 64,750	83	87
Natel Engineering Co. Inc. Term Loan B 1st Lien F/R 04-29-2026	United States	Term Loans	USD 49,625	66	53
National Australia Bank Ltd. F/R 06-12-2030 Callable 2025	Australia	Corporate - Non Convertible	90,000	90	87
Nefflix Inc. 3.88% 11-15-2029	United States	Corporate - Non Convertible	EUR 330,000	497	504
New Red Finance Inc. 5.00% 10-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 1,220,000	1,529	1,650
Nine Energy Service Inc. 8.75% 11-01-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 630,000	821	230
Nokia OYJ 3.38% 06-12-2022	Finland	Corporate - Non Convertible	USD 320,000	429	452
Norbord Inc. 5.75% 07-15-2027 Callable 2022 144A	Canada	Corporate - Non Convertible	USD 670,000	892	869
Nufarm Australia Ltd. 5.75% 04-30-2026 Callable 2021 144A	Australia	Corporate - Non Convertible	USD 1,440,000	1,821	1,770
Numericable-SFR 7.38% 05-01-2026 Callable 2021 144A	France	Corporate - Non Convertible	USD 750,000	966	1,054
NuVista Energy Ltd. 6.50% 03-02-2023 Callable 2020	Canada	Corporate - Non Convertible	850,000	841	549
Occidental Petroleum Corp. 4.10% 02-01-2021 Callable 2020	United States	Corporate - Non Convertible	USD 230,000	311	275
Occidental Petroleum Corp. 4.40% 04-15-2046 Callable 2045	United States	Corporate - Non Convertible	USD 690,000	796	413
OCI NV 6.63% 04-15-2023 Callable 2020 144A	Netherlands	Corporate - Non Convertible	USD 1,300,000	1,632	1,683
Office Depot Inc. Term Loan B 1st Lien F/R 11-08-2022	United States	Term Loans	USD 23,300	29	32
Outfront Media Capital LLC 4.63% 03-15-2030 Callable 2025 144A	United States	Corporate - Non Convertible	USD 310,000	410	391
Panther BF Aggregator 2 LP 6.25% 05-15-2026 144A	United States	Corporate - Non Convertible	USD 180,000	243	241
Panther BF Aggregator 2 LP 8.50% 05-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 1,660,000	2,232	2,051
Parkland Fuel Corp. 6.00% 11-21-2022 Callable	Canada	Corporate - Non Convertible	1,090,000	1,137	1,065



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ACTIVE FIXED INCOME ETF

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Parkland Fuel Corp. 6.00% 04-01-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 1,315,000	1,719	1,731
Parkland Fuel Corp. 5.88% 07-15-2027 Callable 2022 144A	Canada	Corporate - Non Convertible	USD 878,000	1,182	1,165
Parsley Energy LLC/Parsley Finance Corp. 5.38% 01-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 310,000	350	340
Parsley Energy LLC 4.13% 02-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 160,000	193	155
Penske Automotive Group Inc. 3.75% 08-15-2020	United States	Corporate - Non Convertible	USD 630,000	790	870
Performance Food Group Co. 5.50% 10-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 320,000	424	421
Petroleos De Venezuela SA 6.00% 05-16-2024	Venezuela	Corporate - Non Convertible	USD 410,000	131	40
Petroleos Mexicanos 6.50% 03-13-2027	Mexico	Corporate - Non Convertible	USD 580,000	810	609
Pisces Midco Inc. 8.00% 04-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 490,000	622	598
Pluto Acquisition I Inc. Term Loan 1st Lien F/R 06-18-2026	United States	Term Loans	USD 69,475	92	84
Polymer Process Holdings Inc. Term Loan 1st Lien F/R 04-29-2026	United States	Term Loans	USD 79,400	104	101
Premier Dental Services Inc. Term Loan B 1st Lien F/R 06-30-2023	United States	Term Loans	USD 54,784	72	76
Project Leopard Holdings Inc. Term Loan 1st Lien F/R 07-07-2023	United States	Term Loans	USD 68,976	89	86
PTC Inc. 4.00% 02-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 290,000	383	395
Puma International Financing SA 5.00% 01-24-2026 Callable 2021	Singapore	Corporate - Non Convertible	USD 300,000	374	204
Quad/Graphics Inc. 7.00% 05-01-2022	United States	Corporate - Non Convertible	USD 650,000	895	762
Quebecor Media Inc. 6.63% 01-15-2023 144A	Canada	Corporate - Non Convertible	1,356,000	1,467	1,385
Rackspace Hosting Inc. 8.63% 11-15-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 930,000	1,283	1,184
Radiology Partners Inc. 9.25% 02-01-2028	United States	Corporate - Non Convertible	USD 50,000	66	61
Rayonier AM Products Inc. 5.50% 06-01-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 860,000	927	561
Reliance Intermediate Holdings LP 6.50% 04-01-2023 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 930,000	1,247	1,339
Reynolds Group Issuer Inc. 5.13% 07-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 620,000	859	869
Rite Aid Corp. 6.13% 04-01-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 310,000	358	378
Rite Aid Corp. 7.50% 07-01-2025 Callable 2022	United States	Corporate - Non Convertible	USD 180,000	244	243
Rite Aid Corp. 7.70% 02-15-2027	United States	Corporate - Non Convertible	USD 2,160,000	2,580	2,333
Russel Metals Inc. 6.00% 03-16-2026 Callable 2021	Canada	Corporate - Non Convertible	590,000	590	518
Russian Federal Loan Bond - OFZ 7.05% 01-19-2028	Russia	Foreign Governments	RUB 65,470,000	1,189	1,206
Sable International Finance Ltd. 5.75% 09-07-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 750,000	1,038	959
Sabre Industries Inc. Term Loan B 1st Lien F/R 04-09-2026	United States	Term Loans	USD 17,014	22	22
Scientific Games International Inc. 6.63% 05-15-2021 Callable 2020	United States	Corporate - Non Convertible	USD 495,000	671	562
Scotts Miracle-Gro Co. 4.50% 10-15-2029	United States	Corporate - Non Convertible	USD 350,000	466	473
Scripps Escrow Inc. 5.88% 07-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 1,180,000	1,552	1,471
Shields Health Solutions Holdings LLC Term Loan 1st Lien F/R 08-13-2026	United States	Term Loans	USD 69,650	92	92
Silgan Holdings Inc. 4.13% 02-01-2028 Callable 2022 144A	United States	Corporate - Non Convertible	USD 440,000	579	576
Sinclair Television Group Inc. Term Loan B2 1st Lien F/R 07-18-2026	United States	Term Loans	USD 49,750	65	67



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ACTIVE FIXED INCOME ETF

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Sinclair Television Group Inc. 5.50% 03-01-2030 Callable 2024 144A	United States	Corporate - Non Convertible	USD 460,000	610	539
Source Energy Services Canada LP 10.50% 12-15-2021 Callable 2020 144A	Canada	Corporate - Non Convertible	1,571,000	1,818	603
Sprint Capital Corp. 6.88% 11-15-2028	United States	Corporate - Non Convertible	USD 140,000	201	226
Sprint Corp. 7.875% 09-15-2023 144A	United States	Corporate - Non Convertible	USD 100,000	150	154
Sprint Corp. 7.88% 09-15-2023	United States	Corporate - Non Convertible	USD 300,000	411	466
Sprint Corp. 7.13% 06-15-2024	United States	Corporate - Non Convertible	USD 270,000	358	419
SRS Distribution Inc. Term Loan B 1st Lien F/R 05-24-2025	United States	Term Loans	USD 49,875	65	62
SS&C Technologies Inc. Term Loan B5 1st Lien F/R 04-16-2025	United States	Term Loans	USD 49,242	64	66
Starfruit US Holdco LLC 8.00% 10-01-2026 Callable 2021 144A	Netherlands	Corporate - Non Convertible	USD 770,000	981	1,037
Stars Group Holdings BV Term Loan B 1st Lien F/R 07-10-2025	Canada	Term Loans	USD 150,000	176	200
Stena International SA 6.13% 02-01-2025 Callable 2022 144A	Sweden	Corporate - Non Convertible	USD 650,000	854	775
Superior Plus LP 5.25% 02-27-2024 Callable 2020	Canada	Corporate - Non Convertible	2,300,000	2,340	2,162
Superior Plus LP 7.00% 07-15-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 1,280,000	1,698	1,772
Sydney Airport Finance Co. Pty. Ltd. 3.63% 04-28-2026 Callable 2026 144A	Australia	Corporate - Non Convertible	USD 650,000	882	982
Talen Energy Supply LLC 7.25% 05-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 1,240,000	1,629	1,587
Talen Energy Supply LLC 6.63% 01-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 290,000	379	346
TDC AS Term Loan B 1st Lien F/R 06-11-2025	Denmark	Term Loans	USD 350,000	464	490
TEGNA Inc. 4.63% 03-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 420,000	546	523
Telenet Finance Luxembourg Notes Sarl 5.50% 03-01-2028 Callable 2022 144A	Belgium	Corporate - Non Convertible	USD 400,000	502	532
Teneo Holdings LLC Term Loan B 1st Lien F/R 07-12-2025	United States	Term Loans	USD 89,775	112	104
Tenet Healthcare Corp. 8.13% 04-01-2022	United States	Corporate - Non Convertible	USD 960,000	1,373	1,294
Tenet Healthcare Corp. 6.75% 06-15-2023	United States	Corporate - Non Convertible	USD 1,240,000	1,619	1,621
Tenet Healthcare Corp. 4.88% 01-01-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 540,000	741	727
Terra Bidco B C Ltd. Term Loan 1st Lien F/R 11-25-2026	Canada	Term Loans	USD 50,000	66	70
TerraForm Power Operating LLC 5.00% 01-31-2028 Callable 2027 144A	United States	Corporate - Non Convertible	USD 1,150,000	1,476	1,705
TerraForm Power Operating LLC 4.75% 01-15-2030 Callable 2025 144A	United States	Corporate - Non Convertible	USD 200,000	266	275
Terrier Media Buyer Inc. Term Loan B 1st Lien F/R 12-12-2026	United States	Term Loans	USD 99,750	131	127
Teva Pharmaceutical Industries Ltd. 2.80% 07-21-2023	Israel	Corporate - Non Convertible	USD 1,439,000	1,655	1,861
Titan Sub LLC Term Loan B 1st Lien F/R 09-19-2026	United States	Term Loans	USD 59,850	79	72
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	940,000	901	748
Transurban Finance Co. Pty. Ltd. 4.56% 11-14-2028 Callable 2028	Australia	Corporate - Non Convertible	80,000	80	88
Trivium Packaging Finance BV 3.75% 08-15-2026 Callable 2022 144A	Netherlands	Corporate - Non Convertible	EUR 610,000	894	869
Trivium Packaging Finance BV 5.50% 08-15-2026 Callable 2022 144A	Netherlands	Corporate - Non Convertible	USD 270,000	353	380
Trivium Packaging Finance BV 8.50% 08-15-2027 Callable 2022 144A	Netherlands	Corporate - Non Convertible	USD 230,000	300	327
Trulieve Cannabis Corp. 9.75% 06-18-2024	United States	Corporate - Non Convertible	USD 1,150,000	1,416	1,477
Uber Technologies Inc. 8.00% 11-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 1,850,000	2,460	2,603
Ultra Clean Holdings Inc. Term Loan B 1st Lien F/R 08-27-2025	United States	Term Loans	USD 46,277	59	56
US Silica Holdings Inc. Term Loan B 1ST Lien F/R 05-01-2025	United States	Term Loans	USD 79,388	101	58
VeriFone Systems Inc. Term Loan 1st Lien F/R 08-09-2025	United States	Term Loans	USD 59,250	77	55



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ACTIVE FIXED INCOME ETF

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Vertex Aerospace Services Corp. Term Loan B 1st Lien F/R 06-14-2025	United States	Term Loans	USD 29,277	38	36
Vesta Energy Corp. 8.13% 07-24-2023 Callable 2020 144A	Canada	Corporate - Non Convertible	490,000	490	274
VFH Parent LLC Term Loan 1st Lien F/R 03-01-2026	United States	Term Loans	USD 48,987	65	64
Videotron Ltd. 4.50% 01-15-2030 Callable 2024	Canada	Corporate - Non Convertible	380,000	380	350
Vidéotron Ltée 5.63% 06-15-2025 Callable 2025	Canada	Corporate - Non Convertible	270,000	289	260
Vidéotron Ltée 5.75% 01-15-2026 Callable 2020	Canada	Corporate - Non Convertible	540,000	574	520
VRX Escrow Corp. 6.13% 04-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 520,000	646	725
Vungle Inc. Term Loan B 1st Lien F/R 09-30-2026	United States	Term Loans	USD 89,550	117	112
VVC Holding Corp. Term Loan B 1st Lien F/R 02-07-2026	United States	Term Loans	USD 48,752	64	64
Vyair Medical Inc. Term Loan B 1st Lien F/R 04-06-2025	United States	Term Loans	USD 49,125	59	50
W&T Offshore Inc. 9.75% 11-01-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 300,000	367	98
Walgreen Co. 4.40% 09-15-2042	United States	Corporate - Non Convertible	USD 60,000	73	84
Walgreens Boots Alliance Inc. 4.80% 11-18-2044 Callable 2044	United States	Corporate - Non Convertible	USD 20,000	26	28
Walmart Inc. 3.70% 06-26-2028 Callable 2028	United States	Corporate - Non Convertible	USD 60,000	93	95
Walmart Inc. 2.38% 09-24-2029 Callable 2029	United States	Corporate - Non Convertible	USD 120,000	173	175
Walmart Inc. 3.63% 12-15-2047 Callable 2047	United States	Corporate - Non Convertible	USD 40,000	65	64
Wildbrain Ltd. 5.88% 09-30-2024 Conv.	Canada	Corporate - Convertible	50,000	47	30
Wolverine World Wide Inc. 8.50% 11-15-2024 Callable 2021 144A	United States	Corporate - Non Convertible	USD 340,000	446	385
WPX Energy Inc. 5.75% 06-01-2026 Callable 2021	United States	Corporate - Non Convertible	USD 220,000	269	179
WPX Energy Inc. 4.50% 01-15-2030 Callable 2025	United States	Corporate - Non Convertible	USD 498,000	578	383
Xplornet Communications Inc. 9.63% 06-01-2022 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 824,357	894	1,089
Yak Access LLC Term Loan B 1st Lien F/R 06-26-2025	United States	Term Loans	USD 84,526	108	88
YPF SA 6.95% 07-21-2027	Argentina	Corporate - Non Convertible	USD 230,000	244	170
Ypsos Finance Bis SA 6.00% 02-15-2028 Callable 2023	Luxembourg	Corporate - Non Convertible	USD 500,000	657	619
Ziggo Bond Co. BV 5.13% 02-28-2030 Callable 2025 144A	Netherlands	Corporate - Non Convertible	USD 1,300,000	1,728	1,803
Ziggo BV Term Loan I 1st Lien F/R 04-15-2028	Netherlands	Term Loans	USD 550,000	719	739
Ziggo BV 4.88% 01-15-2030 Callable 2024 144A	Netherlands	Corporate - Non Convertible	USD 350,000	460	483
<b>Total bonds</b>				<b>176,612</b>	<b>164,764</b>
<b>EQUITIES</b>					
AltaGas Ltd. Pfd. Series K	Canada	Utilities	13,853	362	231
BCE Inc. Pfd. Series AL	Canada	Communication Services	9,240	132	100
Brookfield Asset Management Inc. Pfd. Series 46	Canada	Financials	7,665	202	153
Brookfield Asset Management Inc. Pfd. Series 48	Canada	Financials	4,304	108	84
Brookfield Renewable Partners LP Pfd. Series 11	Canada	Financials	22,928	568	408
Fairfax Financial Holdings Ltd. Pfd. Series E	Canada	Financials	9,130	134	91
Fairfax Financial Holdings Ltd. Pfd. Series F	Canada	Financials	7,000	103	61
Husky Energy Inc. Pfd. Series 3	Canada	Energy	4,800	89	48
Husky Energy Inc. 4.45% 12-31-2049 Pfd. Series 1	Canada	Energy	78,810	1,269	442
Manulife Financial Corp. Pfd. Series 13	Canada	Financials	26,420	535	328
Shaw Communications Inc. Pfd Series A	Canada	Communication Services	87,290	1,318	925
Source Energy Services Ltd.	Canada	Energy	30,639	-	3
TC Energy Corp. Pfd. Series 15	Canada	Energy	10,791	286	217
TransAlta Corp. Pfd. Series A	Canada	Utilities	41,920	551	336
Trulieve Cannabis Corp. Purchase Warrants Exp. 06-18-2022	United States	Health Care	24,900	80	57
<b>Total equities</b>				<b>5,737</b>	<b>3,484</b>



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ACTIVE FIXED INCOME ETF

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>OPTIONS</b>					
Options purchased (see schedule of options purchased)				111	934
<b>Total options</b>				<b>111</b>	<b>934</b>
<b>EXCHANGE-TRADED FUNDS/NOTES</b>					
Mackenzie Emerging Markets Bond Index ETF (CAD-Hedged)	Canada	Exchange-Traded Funds/Notes	15,223	1,527	1,295
Mackenzie Emerging Markets Local Currency Bond Index ETF	United States	Exchange-Traded Funds/Notes	14,870	1,519	1,373
<b>Total exchange-traded funds/notes</b>				<b>3,046</b>	<b>2,668</b>
Transaction costs				(16)	—
<b>Total investments</b>				<b>185,490</b>	<b>171,850</b>
Derivative instruments (see schedule of derivative instruments)					(8,108)
Cash and cash equivalents					16,530
Other assets less liabilities					2,151
<b>Total net assets</b>					<b>182,423</b>



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ACTIVE FIXED INCOME ETF

## SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2020	
Portfolio Allocation	% of NAV
Bonds	90.8
<i>Bonds</i>	90.3
<i>Purchased options</i>	0.5
<i>Short futures</i>	0.0
Cash and short-term investments	9.1
Equities	1.9
Exchange-traded funds/notes	1.5
Other assets (liabilities)	(3.3)

Regional Allocation	
	% of NAV
United States	42.0
Canada	22.5
Cash and short-term investments	9.1
Netherlands	5.3
United Kingdom	4.8
China	4.7
Other	4.5
Luxembourg	2.0
Australia	1.6
France	1.2
Mexico	1.2
Israel	1.0
Italy	0.9
Bahamas	0.9
Ireland	0.9
Uruguay	0.7
Other assets (liabilities)	(3.3)

Sector Allocation	
	% of NAV
Corporate bonds – Energy	11.1
Corporate bonds – Healthcare	9.3
Cash and short-term investments	9.1
Foreign government bonds	8.4
Corporate bonds – Basic industry	8.1
Corporate bonds – Media	7.9
Corporate bonds – Retail	7.7
Corporate bonds – Consumer goods	6.7
Term loans	6.4
Other	6.3
Corporate bonds – Capital goods	5.0
Corporate bonds – Technology and electronics	4.8
Corporate bonds – Telecommunications	4.0
Corporate bonds – Services	3.3
Corporate bonds – Utility	3.0
Corporate bonds – Financial services	2.2
Other assets (liabilities)	(3.3)

March 31, 2019	
Portfolio Allocation	% of NAV
Bonds	92.1
<i>Bonds</i>	92.0
<i>Purchased options</i>	0.1
Cash and short-term investments	6.8
Equities	2.2
Other assets (liabilities)	(1.1)

Regional Allocation	
	% of NAV
United States	39.1
Canada	24.3
Other	11.7
Cash and short-term investments	6.8
United Kingdom	5.1
Netherlands	3.3
Luxembourg	3.2
Ireland	2.3
France	1.7
Russia	1.2
Mexico	1.2
Australia	1.2
Other assets (liabilities)	(1.1)

Sector Allocation	
	% of NAV
Corporate bonds – Energy	13.8
Corporate bonds – Communication services	10.1
Corporate bonds – Basic industry	9.2
Term loans	9.0
Other	7.9
Cash and short-term investments	6.8
Corporate bonds – Consumer goods	6.7
Corporate bonds – Healthcare	6.6
Corporate bonds – Retail	4.7
Corporate bonds – Technology and electronics	4.7
Corporate bonds – Financial services	4.4
Foreign government bonds	4.2
Corporate bonds – Services	4.1
Corporate bonds – Utility	3.6
Corporate bonds – Capital goods	2.8
Corporate bonds – Leisure	2.5
Other assets (liabilities)	(1.1)



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ACTIVE FIXED INCOME ETF

## 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	204	Put	May 15, 2020	85 USD	41	253
iShares iBoxx \$ High Yield Corporate Bond ETF	346	Put	Jun. 19, 2020	86 USD	53	521
iShares iBoxx \$ High Yield Corporate Bond ETF	99	Put	Jun. 19, 2020	87 USD	17	160
<b>Total options</b>					<b>111</b>	<b>934</b>



**MACKENZIE**  
Investments



# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ACTIVE FIXED INCOME ETF

## SCHEDULE OF DERIVATIVE INSTRUMENTS

As at March 31, 2020

### Schedule of Futures Contracts

Number of Contracts	Type of Contract	Expiration Date	Average Rate of Contracts (\$)	Notional Value* (\$ 000s)	Unrealized Gains (\$ 000s)
(10)	Euro-BTP Futures June 2020	Jun. 8, 2020	141,41 EUR	(2,195)	9
Unrealized Gains				(2,195)	9
<b>Total futures contracts</b>				<b>(2,195)</b>	<b>9</b>

\* Notional value represents the exposure to the underlying 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	14,870 U.S. dollar	(20,906) Canadian dollar	Apr. 3, 2020	20,906	20,926	20
A	571 Canadian dollar	(8,330) Mexican peso	Apr. 17, 2020	(571)	(493)	78
A	1,396 Canadian dollar	(20,280) Mexican peso	Apr. 24, 2020	(1,396)	(1,199)	197
A	2,040 U.S. dollar	(2,740) Canadian dollar	Apr. 24, 2020	2,740	2,870	130
AA	2,040 U.S. dollar	(2,739) Canadian dollar	Apr. 24, 2020	2,739	2,870	131
A	2,040 U.S. dollar	(2,740) Canadian dollar	May 8, 2020	2,740	2,870	130
A	1,270 U.S. dollar	(1,706) Canadian dollar	Jun. 12, 2020	1,706	1,786	80
A	3,060 U.S. dollar	(4,215) Canadian dollar	Jun. 12, 2020	4,215	4,303	88
AA	1,784 Canadian dollar	(1,000) British pound	Jun. 17, 2020	(1,784)	(1,749)	35
AA	1,000 British pound	(1,673) Canadian dollar	Jun. 17, 2020	1,673	1,749	76
Unrealized Gains						965
A	19,432 Canadian dollar	(14,870) U.S. dollar	Apr. 3, 2020	(19,432)	(20,927)	(1,495)
AA	25,967 Canadian dollar	(19,950) U.S. dollar	Apr. 17, 2020	(25,967)	(28,071)	(2,104)
AA	3,684 Canadian dollar	(2,526) Euro	Apr. 17, 2020	(3,684)	(3,922)	(238)
AA	815 Canadian dollar	(560) Euro	Apr. 17, 2020	(815)	(870)	(55)
AA	170 Euro	(266) Canadian dollar	Apr. 17, 2020	266	264	(2)
AA	320 Euro	(500) Canadian dollar	Apr. 17, 2020	500	497	(3)
A	4,010 Mexican peso	(269) Canadian dollar	Apr. 17, 2020	269	237	(32)
A	1,220 Mexican peso	(73) Canadian dollar	Apr. 17, 2020	73	72	(1)
AA	2,170 U.S. dollar	(3,146) Canadian dollar	Apr. 17, 2020	3,146	3,053	(93)
A	155 Canadian dollar	(100) Euro	Apr. 22, 2020	(155)	(155)	-
A	2,869 Canadian dollar	(2,200) U.S. dollar	Apr. 24, 2020	(2,869)	(3,095)	(226)
AA	11,358 Canadian dollar	(8,705) U.S. dollar	Apr. 24, 2020	(11,358)	(12,247)	(889)
A	1,568 Canadian dollar	(1,200) U.S. dollar	Apr. 24, 2020	(1,568)	(1,688)	(120)
A	5,340 Mexican peso	(364) Canadian dollar	Apr. 24, 2020	364	316	(48)
A	1,360 U.S. dollar	(1,923) Canadian dollar	Apr. 24, 2020	1,923	1,913	(10)
A	9,627 Canadian dollar	(7,365) U.S. dollar	May 8, 2020	(9,627)	(10,360)	(733)
A	16,541 Canadian dollar	(12,655) U.S. dollar	May 8, 2020	(16,541)	(17,803)	(1,262)
AA	9,676 Canadian dollar	(7,305) U.S. dollar	May 22, 2020	(9,676)	(10,275)	(599)
A	10,795 Canadian dollar	(8,146) U.S. dollar	Jun. 12, 2020	(10,795)	(11,456)	(661)
A	3,234 Canadian dollar	(2,440) U.S. dollar	Jun. 12, 2020	(3,234)	(3,431)	(197)
AA	3,597 Canadian dollar	(2,690) U.S. dollar	Jun. 19, 2020	(3,597)	(3,783)	(186)
A	2,004 Canadian dollar	(1,500) U.S. dollar	Jun. 19, 2020	(2,004)	(2,109)	(105)
A	20,885 Canadian dollar	(14,870) U.S. dollar	Jul. 10, 2020	(20,885)	(20,908)	(23)
Unrealized (Losses)						(9,082)
<b>Total forward currency contracts</b>						<b>(8,117)</b>
<b>Total derivative instruments at fair value</b>						<b>(8,108)</b>



**MACKENZIE**  
Investments

## NOTES TO FINANCIAL STATEMENTS

### 1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the periods ended or as at March 31, 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.

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ACTIVE FIXED INCOME ETF

## NOTES TO FINANCIAL STATEMENTS

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

#### (a) ETF Formation and Series Information

Date of Formation April 13, 2017

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 Aequitas NEO Exchange under the symbol MHYB on April 26, 2017. 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 \$17.49 (2019 – \$19.35).

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

As at March 31, 2020, there were no differences between the ETF's NAV per unit (2019 – \$19.25) and its Net Assets per unit calculated in accordance with IFRS (2019 – \$19.26).

#### (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 \$166,924, \$5,153 and \$Nil (2019 – \$161,720, \$Nil and \$1,509), 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	4,040	3,154
Value of collateral received	4,683	3,335

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	75	100.0	39	100.0
Tax withheld	(22)	(29.3)	(12)	(30.8)
	53	70.7	27	69.2
Payments to Securities Lending Agent	(11)	(14.7)	(6)	(15.4)
Securities lending income	42	56.0	21	53.8



**MACKENZIE**  
Investments



# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ACTIVE FIXED INCOME ETF

## NOTES TO FINANCIAL STATEMENTS

### 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	700	(502)	–	198
Unrealized losses on derivative contracts	(3,070)	502	239	(2,329)
Liability for options written	–	–	–	–
Total	(2,370)	–	239	(2,131)

	March 31, 2019			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	5	–	–	5
Unrealized losses on derivative contracts	(155)	–	–	(155)
Liability for options written	–	–	–	–
Total	(150)	–	–	(150)

#### (f) Risks Associated with Financial Instruments

##### *i. Risk exposure and management*

The ETF seeks a steady flow of income with potential for long-term capital growth by investing primarily in higher-yielding fixed income securities and instruments of issuers of any size anywhere in the world.

##### *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* (\$)
U.S. dollar	128,053	5,985	(105,562)	28,476
Chinese yuan	8,514	–	–	8,514
British pound	–	1,716	–	1,716
Russian ruble	1,206	–	–	1,206
Brazilian real	63	–	–	63
Euro	4,208	–	(4,177)	31
Mexican peso	1,074	–	(1,067)	7
Japanese yen	–	(2,580)	–	(2,580)
Total	143,118	5,121	(110,806)	37,433
% of Net Assets	78.5	2.8	(60.7)	20.6



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ACTIVE FIXED INCOME 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 (cont'd)

Currency	March 31, 2019			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	118,775	10,476	(121,930)	7,321
Russian ruble	2,144	–	–	2,144
British pound	3,479	–	(3,427)	52
Euro	5,179	(5)	(5,131)	43
Mexican peso	1,356	–	(1,319)	37
Indian rupee	727	–	(708)	19
Total	131,660	10,471	(132,515)	9,616
% of Net Assets	76.4	6.1	(76.9)	5.6

\* 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 decreased or increased by approximately \$1,872 or 1.0% of total net assets (2019 – \$481 or 0.3%). In practice, the actual trading results may differ and the difference could be material.

##### 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.

Term to Maturity	March 31, 2020 (\$)		March 31, 2019 (\$)	
	Bonds	Derivative Instruments	Bonds	Derivative Instruments
Less than 1 year	2,206	(2,195)	1,167	–
1-5 years	54,766	–	57,389	–
5-10 years	99,862	–	96,689	–
Greater than 10 years	7,930	–	3,379	–
Total	164,764	(2,195)	158,624	–

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 \$7,272 or 4.0% (2019 – \$5,895 or 3.4%) 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 \$7,296 or 4.0% (2019 – \$6,069 or 3.5%) 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.



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ACTIVE FIXED INCOME ETF

## NOTES TO FINANCIAL STATEMENTS

### 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 13.2% of the net assets of the ETF (2019 – 6.1%).

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
AAA	–	1.0
AA	0.2	0.6
A	4.8	3.2
BBB	9.8	10.7
BB	35.7	31.1
B	26.0	34.8
Less than B	10.5	8.5
Unrated	3.3	2.1
Total	90.3	92.0

\* 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	–	164,764	–	164,764	–	158,624	–	158,624
Equities	3,484	–	–	3,484	3,655	–	–	3,655
Options	934	–	–	934	171	–	–	171
Exchange-traded funds/notes	2,668	–	–	2,668	–	–	–	–
Derivative assets	9	965	–	974	–	83	–	83
Derivative liabilities	–	(9,082)	–	(9,082)	–	(1,743)	–	(1,743)
Total	7,095	156,647	–	163,742	3,826	156,964	–	160,790

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.