

# MACKENZIE GLOBAL LEADERSHIP IMPACT ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ACTIVE EQUITY 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 Leadership Impact 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 Leadership Impact ETF (the "ETF")

### Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the ETF as at March 31, 2020 and 2019, and its financial performance and its cash flows for the periods then ended, as indicated in Note 1, in accordance with International Financial Reporting Standards ("IFRS").

### Basis for Opinion

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

### Other Information

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

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

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

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

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



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## INDEPENDENT AUDITOR'S REPORT (cont'd)

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

*Deloitte LLP*

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



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## STATEMENTS OF FINANCIAL POSITION

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

	2020	2019
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Investments at fair value	14,130	6,483
Cash and cash equivalents	98	36
Dividends receivable	19	20
Accounts receivable for investments sold	123	–
Accounts receivable for units issued	–	–
<b>Total assets</b>	<b>14,370</b>	<b>6,539</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable for investments purchased	86	–
Accounts payable for units redeemed	–	–
Due to manager	10	19
<b>Total liabilities</b>	<b>96</b>	<b>19</b>
<b>Net assets attributable to unitholders</b>	<b>14,274</b>	<b>6,520</b>
<b>Net assets attributable to unitholders per series (note 3)</b>		
Series E	14,274	6,520
<b>Net assets attributable to unitholders per unit (note 3)</b>		
Series E	29.74	32.60

## STATEMENTS OF COMPREHENSIVE INCOME

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

	2020	2019
	\$	\$
<b>Income</b>		
Dividends	243	202
Interest income	1	1
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(604)	31
Net unrealized gain (loss)	(1,314)	368
Securities lending income	1	1
Other	6	–
<b>Total income (loss)</b>	<b>(1,667)</b>	<b>603</b>
<b>Expenses (note 6)</b>		
Management fees	63	42
Management fee rebates	(32)	–
Interest charges	–	1
Commissions and other portfolio transaction costs	33	21
Independent Review Committee fees	–	–
Other	1	–
<b>Expenses before amounts absorbed by Manager</b>	<b>65</b>	<b>64</b>
Expenses absorbed by Manager	–	–
<b>Net expenses</b>	<b>65</b>	<b>64</b>
<b>Increase (decrease) in net assets attributable to unitholders from operations before tax</b>	<b>(1,732)</b>	<b>539</b>
Foreign withholding taxes	28	27
Foreign income taxes paid (recovered)	–	–
<b>Increase (decrease) in net assets attributable to unitholders from operations</b>	<b>(1,760)</b>	<b>512</b>
<b>Increase (decrease) in net assets attributable to unitholders from operations per series</b>		
Series E	(1,760)	512
<b>Increase (decrease) in net assets attributable to unitholders from operations per unit</b>		
Series E	(5.83)	2.47

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



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# MACKENZIE GLOBAL LEADERSHIP IMPACT ETF

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## 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>6,520</b>	<b>6,068</b>
Increase (decrease) in net assets from operations	(1,760)	512
Distributions paid to unitholders:		
Investment income	(186)	(115)
Capital gains	–	(57)
Management fee rebates	(32)	–
Total distributions paid to unitholders	(218)	(172)
Unit transactions:		
Proceeds from units issued	11,353	950
Reinvested distributions	–	57
Payments on redemption of units	(1,621)	(895)
Total unit transactions	9,732	112
<b>Total increase (decrease) in net assets</b>	<b>7,754</b>	<b>452</b>
<b>End of period</b>	<b>14,274</b>	<b>6,520</b>
	<b>Units</b>	
<b>Increase (decrease) in units (note 7):</b>		
<b>Units outstanding – beginning of period</b>	<b>200</b>	<b>200</b>
Issued	330	30
Reinvested distributions	–	–
Redeemed	(50)	(30)
<b>Units outstanding – end of period</b>	<b>480</b>	<b>200</b>

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## 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	(1,760)	512
Adjustments for:		
Net realized loss (gain) on investments	572	(32)
Change in net unrealized loss (gain) on investments	1,314	(368)
Purchase of investments	(13,530)	(2,776)
Proceeds from sale and maturity of investments	10,279	2,799
Change in dividends receivable	1	(14)
Change in due to manager	(9)	7
<b>Net cash from operating activities</b>	<b>(3,133)</b>	<b>128</b>
<b>Cash flows from financing activities</b>		
Proceeds from units issued	3,399	–
Payments on redemption of units	–	(3)
Distributions paid net of reinvestments	(218)	(115)
<b>Net cash from financing activities</b>	<b>3,181</b>	<b>(118)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>48</b>	<b>10</b>
Cash and cash equivalents at beginning of period	36	26
Effect of exchange rate fluctuations on cash and cash equivalents	14	–
<b>Cash and cash equivalents at end of period</b>	<b>98</b>	<b>36</b>
Cash	98	36
Cash equivalents	–	–
<b>Cash and cash equivalents at end of period</b>	<b>98</b>	<b>36</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	244	188
Foreign taxes paid	28	27
Interest received	1	1
Interest paid	–	1

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## SCHEDULE OF INVESTMENTS

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES</b>					
The a2 Milk Co. Ltd.	New Zealand	Consumer Staples	393	5	6
Abbott Laboratories	United States	Health Care	894	88	99
Accenture PLC Class A	United States	Information Technology	663	150	152
Accor SA	France	Consumer Discretionary	113	6	4
Admiral Group PLC	United Kingdom	Financials	84	3	3
Aéroports de Paris	France	Industrials	10	2	1
AGL Energy Ltd.	Australia	Utilities	154	3	2
AIB Group PLC	Ireland	Financials	359	2	1
Air Liquide SA	France	Materials	256	42	46
Alcon Inc.	Switzerland	Health Care	191	14	14
Alexion Pharmaceuticals Inc.	United States	Health Care	111	16	14
Alfa Laval AB	Sweden	Industrials	154	4	4
Alkermes PLC	United States	Health Care	62	3	1
Allegion PLC	United States	Industrials	16	2	2
Alliance Data Systems Corp.	United States	Information Technology	45	4	2
Alliant Energy Corp.	United States	Utilities	1,048	77	71
Allianz SE Reg.	Germany	Financials	243	71	59
The Allstate Corp.	United States	Financials	125	17	16
Ally Financial Inc.	United States	Financials	217	8	4
Alnylam Pharmaceuticals Inc.	United States	Health Care	463	68	71
Alstom SA	France	Industrials	94	5	6
American Electric Power Co. Inc.	United States	Utilities	213	25	24
American International Group Inc.	United States	Financials	433	24	15
American Water Works Co. Inc.	United States	Utilities	1,543	227	260
AmerisourceBergen Corp.	United States	Health Care	55	7	7
Amundi SA	France	Financials	29	3	2
ANSYS Inc.	United States	Information Technology	34	12	11
Anthem Inc.	United States	Health Care	122	46	39
Aon PLC	United States	Financials	103	23	24
APA Group	Australia	Utilities	361	3	3
Aristocrat Leisure Ltd.	Australia	Consumer Discretionary	269	6	5
Arkema	France	Materials	30	3	3
Ascendas Real Estate Investment Trust	Singapore	Real Estate	550	1	2
Assa Abloy AB B	Sweden	Industrials	541	16	14
Assicurazioni Generali SPA	Italy	Financials	722	17	14
Assurant Inc.	United States	Financials	24	3	4
AstraZeneca PLC	United Kingdom	Health Care	731	77	92
ASX Ltd.	Australia	Financials	48	3	3
Atlas Copco AB A	Sweden	Industrials	370	18	18
Atlas Copco AB B	Sweden	Industrials	205	7	9
Atos Origin	France	Information Technology	55	6	5
Auckland International Airport Ltd.	New Zealand	Industrials	422	2	2
Aurizon Holdings Ltd.	Australia	Industrials	1,467	7	5
Australia and New Zealand Banking Group Ltd.	Australia	Financials	1,694	40	25
Auto Trader Group PLC	United Kingdom	Communication Services	499	4	4
Autodesk Inc.	United States	Information Technology	794	177	174
Aviva PLC	United Kingdom	Financials	1,672	10	8
AXA SA	France	Financials	1,168	39	29
Banco Santander SA	Spain	Financials	9,045	59	31



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## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Bank Leumi Le-Israel	Israel	Financials	468	4	4
Bank of America Corp.	United States	Financials	6,919	265	207
Bank of Montreal	Canada	Financials	322	30	23
The Bank of Nova Scotia	Canada	Financials	681	50	39
Bank of Queensland Ltd.	Australia	Financials	365	2	2
Bankinter SA	Spain	Financials	8	—	—
Barratt Developments PLC	United Kingdom	Consumer Discretionary	693	8	5
Becton, Dickinson and Co.	United States	Health Care	137	45	44
Bendigo and Adelaide Bank Ltd.	Australia	Financials	142	1	1
Best Buy Co. Inc.	United States	Consumer Discretionary	2,601	254	209
BlueScope Steel Ltd.	Australia	Materials	86	1	1
BNP Paribas SA	France	Financials	607	42	26
Boliden AB	Sweden	Materials	95	3	2
Boral Ltd.	Australia	Materials	848	4	2
Brambles Ltd.	Australia	Industrials	1,084	11	10
The British Land Co. PLC	United Kingdom	Real Estate	249	2	1
Burberry Group PLC	United Kingdom	Consumer Discretionary	205	6	5
Bureau Veritas SA	France	Industrials	163	5	4
Burlington Stores Inc.	United States	Consumer Discretionary	30	8	7
CaixaBank SA	Spain	Financials	1,636	6	4
Camden Property Trust	United States	Real Estate	50	7	6
Canadian Imperial Bank of Commerce	Canada	Financials	948	99	78
Canadian National Railway Co.	Canada	Industrials	399	47	44
Capgemini SE	France	Information Technology	88	13	11
Capri Holdings Ltd.	United States	Consumer Discretionary	2,499	129	38
Cardinal Health Inc.	United States	Health Care	565	37	38
Carrefour SA	France	Consumer Staples	345	9	8
CDW Corp. of Delaware	United States	Information Technology	53	6	7
CenturyLink Inc.	United States	Communication Services	474	9	6
Chr. Hansen Holding AS	Denmark	Materials	58	7	6
Cisco Systems Inc.	United States	Information Technology	2,262	129	125
CIT Group Inc.	United States	Financials	129	5	3
Citigroup Inc.	United States	Financials	1,172	109	69
CK Asset Holdings Ltd.	Hong Kong	Real Estate	1,222	12	9
The Clorox Co.	United States	Consumer Staples	64	14	16
CMS Energy Corp.	United States	Utilities	376	32	31
CNP Assurances SA	France	Financials	1,259	20	17
Coca-Cola Amatil Ltd.	Australia	Consumer Staples	246	2	2
The Coca-Cola Co.	United States	Consumer Staples	3,085	208	192
Coles Group Ltd.	Australia	Consumer Staples	659	10	9
Commerzbank AG	Germany	Financials	550	5	3
Commonwealth Bank of Australia	Australia	Financials	1,069	75	57
Compagnie de Saint-Gobain	France	Industrials	245	14	8
Compagnie Generale des Etablissements Michelin B	France	Consumer Discretionary	80	13	10
Compass Group PLC	United Kingdom	Consumer Discretionary	879	27	19
Computershare Ltd.	Australia	Information Technology	227	3	2
Consolidated Edison Inc.	United States	Utilities	145	17	16
Covivio	France	Real Estate	27	3	2
CSL Ltd.	Australia	Health Care	280	59	72



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As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Cummins Inc.	United States	Industrials	58	12	11
CVS Health Corp.	United States	Health Care	676	59	56
Daimler AG	Germany	Consumer Discretionary	445	29	19
Danone SA	France	Consumer Staples	338	36	31
Danske Bank AS	Denmark	Financials	323	7	5
Dassault Systemes SA	France	Information Technology	70	13	15
Deutsche Boerse AG	Germany	Financials	103	18	20
Deutsche Lufthansa AG Reg.	Germany	Industrials	188	5	2
Deutsche Telekom AG	Germany	Communication Services	1,737	38	32
Dexus Property Group	Australia	Real Estate	703	7	6
Diageo PLC	United Kingdom	Consumer Staples	1,299	63	59
Direct Line Insurance Group PLC	United Kingdom	Financials	741	4	4
Discover Financial Services	United States	Financials	171	15	9
DnB ASA	Norway	Financials	5,576	88	88
DocuSign Inc.	United States	Information Technology	46	5	6
Dollar General Corp.	United States	Consumer Discretionary	120	20	26
Dow Inc.	United States	Materials	384	24	16
Dropbox Inc. Class A	United States	Information Technology	165	4	4
E*TRADE Financial Corp.	United States	Financials	115	7	6
easylet PLC	United Kingdom	Industrials	109	2	1
Eaton Vance Corp.	United States	Financials	51	3	2
eBay Inc.	United States	Consumer Discretionary	401	18	17
Ecolab Inc.	United States	Materials	120	28	26
EDF SA (Electricite de France)	France	Utilities	363	5	4
Edison International	United States	Utilities	190	18	15
Eli Lilly and Co.	United States	Health Care	459	70	90
Elisa OYJ	Finland	Communication Services	59	4	5
Emera Inc.	Canada	Utilities	146	8	8
Empire Co. Ltd. Class A non-voting	Canada	Consumer Staples	116	3	3
Engie SA	France	Utilities	1,062	22	16
Entergy Corp.	United States	Utilities	72	9	10
Equity Lifestyle Properties Inc.	United States	Real Estate	76	7	6
EssilorLuxottica	France	Consumer Discretionary	159	27	24
Essity Aktiebolag Class B	Sweden	Consumer Staples	319	13	14
The Estée Lauder Companies Inc. Class A	United States	Consumer Staples	1,225	263	276
Eurazeo SA	France	Financials	13	1	1
Eutelsat Communications SA	France	Communication Services	88	2	1
Evonik Industries AG	Germany	Materials	13	—	—
EXOR SPA	Netherlands	Financials	41	3	3
First Capital Real Estate Investment Trust	Canada	Real Estate	304	5	4
First Republic Bank	United States	Financials	81	11	9
Fortescue Metals Group Ltd.	Australia	Materials	7,897	69	68
Fortis Inc.	Canada	Utilities	5,015	276	273
Fortum OYJ	Finland	Utilities	201	5	4
Fuchs Petrolub SE	Germany	Materials	1	—	—
The Gap Inc.	United States	Consumer Discretionary	165	4	2
GEA Group AG	Germany	Industrials	39	1	1
Gecina SA	France	Real Estate	32	7	6
General Mills Inc.	United States	Consumer Staples	307	23	23



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As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Genmab AS	Denmark	Health Care	36	10	10
George Weston Ltd.	Canada	Consumer Staples	19	2	2
Getlink SE	France	Industrials	249	5	4
Gilead Sciences Inc.	United States	Health Care	681	63	72
Gjensidige Forsikring ASA	Norway	Financials	164	4	4
GlaxoSmithKline PLC	United Kingdom	Health Care	2,702	70	72
Globe Life Inc.	United States	Financials	54	7	5
GPT Group Stapled Securities	Australia	Real Estate	1,099	6	3
Groupe Bruxelles Lambert SA*	Belgium	Financials	27	4	3
H&R Block Inc.	United States	Consumer Discretionary	138	4	3
Halma PLC	United Kingdom	Information Technology	186	6	6
Hang Seng Bank Ltd.	Hong Kong	Financials	194	6	5
Hargreaves Lansdown PLC	United Kingdom	Financials	184	5	4
The Hartford Financial Services Group Inc.	United States	Financials	1,385	72	69
Hasbro Inc.	United States	Consumer Discretionary	74	9	7
Heineken Holding NV A	Netherlands	Consumer Staples	15	2	2
Heineken NV	Netherlands	Consumer Staples	105	13	12
Henkel AG & Co. KGaA Pfd.	Germany	Consumer Staples	95	13	11
Henkel AG & Co. KGaA	Germany	Consumer Staples	51	7	5
Hennes & Mauritz AB B	Sweden	Consumer Discretionary	576	15	10
Hermes International	France	Consumer Discretionary	15	13	15
The Hershey Co.	United States	Consumer Staples	924	160	172
Hewlett Packard Enterprise Co.	United States	Information Technology	347	6	5
Hexagon AB B	Sweden	Information Technology	142	9	9
Hilton Inc.	United States	Consumer Discretionary	137	15	13
Hologic Inc.	United States	Health Care	126	7	6
Host Hotels & Resorts Inc.	United States	Real Estate	414	9	6
HP Inc.	United States	Information Technology	3,451	82	84
Huntington Bancshares Inc.	United States	Financials	846	14	10
Husqvarna AB-B	Sweden	Consumer Discretionary	208	2	1
Hydro One Inc.	Canada	Utilities	213	5	5
ICA Gruppen AB	Sweden	Consumer Staples	49	3	3
ICADE	France	Real Estate	20	2	2
IDEXX Laboratories Inc.	United States	Health Care	38	11	13
Iliad SA	France	Communication Services	12	3	2
Incitec Pivot Ltd.	Australia	Materials	925	3	2
Industrivarden AB Class C	Sweden	Financials	57	2	2
Ingenico SA	France	Information Technology	29	4	4
Ingredion Inc.	United States	Consumer Staples	47	6	5
Insurance Australia Group Ltd.	Australia	Financials	1,164	8	6
Intact Financial Corp.	Canada	Financials	159	19	19
Intercontinental Exchange Inc.	United States	Financials	271	34	31
InterContinental Hotels Group PLC	United Kingdom	Consumer Discretionary	82	6	5
International Business Machines Corp.	United States	Information Technology	456	85	71
Intertek Group PLC	United Kingdom	Industrials	92	8	8
Intuit Inc.	United States	Information Technology	726	218	235
Investor AB	Sweden	Financials	255	16	17
Ipsen SA	France	Health Care	12	2	1
Iron Mountain Inc.	United States	Real Estate	150	7	5



**MACKENZIE**  
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# MACKENZIE GLOBAL LEADERSHIP IMPACT ETF

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## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
ITV PLC	United Kingdom	Communication Services	1,596	4	2
J.M. Smucker Co.	United States	Consumer Staples	150	22	23
Johnson & Johnson	United States	Health Care	1,448	273	267
Johnson Matthey PLC	United Kingdom	Materials	67	3	2
Jones Lang LaSalle Inc.	United States	Real Estate	20	4	3
Kellogg Co.	United States	Consumer Staples	2,642	225	223
Kering	France	Consumer Discretionary	185	129	137
KeyCorp	United States	Financials	1,191	23	17
Kimberly-Clark Corp.	United States	Consumer Staples	171	30	31
Kinnevik AB	Sweden	Financials	128	4	3
Kinross Gold Corp.	Canada	Materials	454	3	3
Kion Group AG	Germany	Industrials	19	1	1
Klepierre	France	Real Estate	122	5	3
Kohl's Corp.	United States	Consumer Discretionary	111	6	2
Kone OYJ B	Finland	Industrials	165	12	13
Koninklijke DSM NV	Netherlands	Materials	1,168	183	188
Koninklijke Philips NV	Netherlands	Health Care	499	27	29
The Kroger Co.	United States	Consumer Staples	406	15	17
Land Securities Group PLC	United Kingdom	Real Estate	225	3	2
Legal & General Group PLC	United Kingdom	Financials	3,024	15	10
Legrand SA	France	Industrials	1,045	101	95
LendLease Group Stapled Securities	Australia	Real Estate	388	5	3
Lincoln National Corp.	United States	Financials	94	6	3
The Link Real Estate Investment Trust	Hong Kong	Real Estate	1,021	14	12
Loblaw Companies Ltd.	Canada	Consumer Staples	106	7	8
L'Oréal SA	France	Consumer Staples	288	103	107
Lowe's Companies Inc.	United States	Consumer Discretionary	405	61	49
Lululemon Athletica Inc.	United States	Consumer Discretionary	1,020	245	273
LVMH Moët Hennessy Louis Vuitton SE	France	Consumer Discretionary	158	91	83
Macquarie Group Ltd.	Australia	Financials	189	19	14
Macy's Inc.	United States	Consumer Discretionary	440	10	3
Manpower Inc.	United States	Industrials	37	5	3
Manulife Financial Corp.	Canada	Financials	1,844	36	33
MAP Group	Australia	Industrials	875	6	4
Marks & Spencer Group PLC	United Kingdom	Consumer Discretionary	717	3	1
Marriott International Inc. Class A	United States	Consumer Discretionary	135	20	14
McCormick & Co. Inc. non-voting	United States	Consumer Staples	59	10	12
McKesson Corp.	United States	Health Care	92	17	18
Medibank Private Ltd.	Australia	Financials	1,260	3	3
Medtronic PLC	United States	Health Care	701	86	89
Meridian Energy Ltd.	New Zealand	Utilities	226	1	1
MetLife Inc.	United States	Financials	324	20	14
Metro Inc.	Canada	Consumer Staples	157	8	9
Micro Focus International PLC	United Kingdom	Information Technology	148	4	1
Microsoft Corp.	United States	Information Technology	2,962	485	658
Mirvac Group Stapled Securities	Australia	Real Estate	2,533	6	5
Moncler SPA	Italy	Consumer Discretionary	98	5	5
Moody's Corp.	United States	Financials	80	24	24
Mowi ASA	Norway	Consumer Staples	227	6	5



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
MTR Corp. Ltd.	Hong Kong	Industrials	354	3	3
Muenchener Rueckversicherungs - Gesellschaft AG (MunichRe)	Germany	Financials	84	27	24
Mylan NV	United States	Health Care	262	7	5
National Australia Bank Ltd.	Australia	Financials	1,737	40	25
National Bank of Canada	Canada	Financials	203	13	11
National Grid PLC	United Kingdom	Utilities	1,948	30	32
Natixis	France	Financials	374	2	2
Nefflix Inc.	United States	Communication Services	243	107	128
Newmont Goldcorp Corp. (USD Shares)	United States	Materials	1,875	115	119
Next PLC	United Kingdom	Consumer Discretionary	57	5	4
Nokia OYJ	Finland	Information Technology	2,956	19	13
Nokian Renkaat OYJ	Finland	Consumer Discretionary	23	1	1
Nordstrom Inc.	United States	Consumer Discretionary	60	3	1
Norsk Hydro ASA	Norway	Materials	1,624	6	5
Novo Nordisk AS B	Denmark	Health Care	1,001	77	85
Novozymes AS	Denmark	Materials	116	7	7
Okta Inc.	United States	Information Technology	53	9	9
Omnicom Group Inc.	United States	Communication Services	34	3	3
Onex Corp. Sub. voting	Canada	Financials	86	6	4
Orange SA	France	Communication Services	1,145	23	20
Orion OYJ	Finland	Health Care	25	1	1
Orkla ASA	Norway	Consumer Staples	448	5	5
Orsted A/S	Denmark	Utilities	111	12	15
PayPal Holdings Inc.	United States	Information Technology	595	87	80
Pentair PLC	United Kingdom	Industrials	85	5	4
PepsiCo Inc.	United States	Consumer Staples	736	125	124
Pernod Ricard SA*	France	Consumer Staples	116	27	23
PNC Financial Services Group Inc.	United States	Financials	211	37	28
Polo Ralph Lauren Corp. Class A	United States	Consumer Discretionary	26	4	2
Poste Italiane SPA	Italy	Financials	238	3	3
PPG Industries Inc.	United States	Materials	108	16	13
Principal Financial Group Inc.	United States	Financials	5,948	387	262
The Procter & Gamble Co.	United States	Consumer Staples	1,363	193	211
The Progressive Corp.	United States	Financials	293	27	30
Proximus SA	Belgium	Communication Services	52	2	2
Publicis Groupe SA	France	Communication Services	210	15	9
PVH Corp.	United States	Consumer Discretionary	46	6	2
Quebecor Inc. Class B Sub. voting	Canada	Communication Services	10	—	—
Quest Diagnostics Inc.	United States	Health Care	2,193	302	248
Randstad Holding NV	Netherlands	Industrials	64	4	3
Rea Group Ltd.	Australia	Communication Services	18	1	1
Recordati SPA	Italy	Health Care	37	2	2
Red Electrica Corporacion SA	Spain	Utilities	209	6	5
Reinsurance Group of America Inc.	United States	Financials	41	7	5
Remy Cointreau SA	France	Consumer Staples	10	2	2
Renault SA	France	Consumer Discretionary	86	7	2
Republic Services Inc.	United States	Industrials	72	8	8
RioCan Real Estate Investment Trust	Canada	Real Estate	389	7	6
Royal Bank of Canada	Canada	Financials	817	82	71



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## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
The Royal Bank of Scotland Group PLC	United Kingdom	Financials	2,361	9	5
RSA Insurance Group PLC	United Kingdom	Financials	472	5	3
Ryman Healthcare Ltd.	New Zealand	Health Care	152	2	1
S&P Global Inc.	United States	Financials	121	36	42
Salesforce.com Inc.	United States	Information Technology	433	82	88
Sandvik AB	Sweden	Industrials	611	13	12
Sanofi	France	Health Care	621	74	77
SAP AG	Germany	Information Technology	550	96	88
Saputo Inc.	Canada	Consumer Staples	98	4	3
Scentre Group	Australia	Real Estate	4,106	12	6
Schibsted ASA Class B	Norway	Communication Services	48	1	1
Schneider Electric SE	France	Industrials	306	36	37
Schroders PLC	United Kingdom	Financials	49	2	2
Securitas AB B	Sweden	Industrials	239	5	4
Seek Ltd.	Australia	Industrials	93	1	1
Sempra Energy	United States	Utilities	483	87	77
Severn Trent PLC	United Kingdom	Utilities	130	5	5
Siemens AG	Germany	Industrials	409	64	49
Singapore Telecommunications Ltd.	Singapore	Communication Services	2,864	9	7
Skandinaviska Enskilda Banken AB (SEB) A	Sweden	Financials	731	10	7
Skanska AB	Sweden	Industrials	262	7	6
Smith & Nephew PLC	United Kingdom	Health Care	478	13	12
Societe BIC SA	France	Industrials	20	2	2
Societe Generale	France	Financials	446	20	11
Sodexo SA	France	Consumer Discretionary	814	77	78
Solvay SA	Belgium	Materials	16	2	2
Southwest Airlines Co.	United States	Industrials	47	3	2
Spark New Zealand Ltd.	New Zealand	Communication Services	818	3	3
Splunk Inc.	United States	Information Technology	73	14	13
Square Inc. Class A	United States	Information Technology	174	16	13
Standard Chartered PLC	United Kingdom	Financials	1,432	15	11
Starbucks Corp.	United States	Consumer Discretionary	3,131	299	291
State Street Corp.	United States	Financials	152	13	11
Stockland Stapled Securities	Australia	Real Estate	1,724	5	4
Stora Enso OYJ R	Finland	Materials	234	4	3
Stryker Corp.	United States	Health Care	561	125	131
Suez Environnement SA	France	Utilities	194	4	3
Sun Life Financial Inc.	Canada	Financials	384	19	17
Suncorp Group Ltd.	Australia	Financials	6,860	64	54
Svenska Handelsbanken AB A	Sweden	Financials	1,944	27	23
Swedbank AB	Sweden	Financials	8,494	178	134
Swire Properties Ltd.	Hong Kong	Real Estate	163	1	1
Synchrony Financial	United States	Financials	319	14	7
Tapestry Inc.	United States	Consumer Discretionary	1,421	31	26
Target Corp.	United States	Consumer Discretionary	267	30	35
Taylor Wimpey PLC	United Kingdom	Consumer Discretionary	2,428	7	5
TD Ameritrade Holding Corp.	United States	Financials	132	9	6
Tele2 AB	Sweden	Communication Services	273	5	5
Telefonica Deutschland Holding AG	Germany	Communication Services	250	1	1



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## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Telenor ASA	Norway	Communication Services	388	10	8
TeliaSonera AB	Sweden	Communication Services	1,586	9	8
Telstra Corp. Ltd.	Australia	Communication Services	2,037	7	5
Tesco PLC	United Kingdom	Consumer Staples	5,620	22	22
Texas Instruments Inc.	United States	Information Technology	1,922	284	270
Tiffany & Co.	United States	Consumer Discretionary	1,001	169	182
The TJX Companies Inc.	United States	Consumer Discretionary	569	35	38
The Toronto-Dominion Bank	Canada	Financials	1,017	73	61
Trane Technologies PLC	United States	Industrials	59	7	7
Transurban Group Stapled Securities	Australia	Industrials	1,731	22	18
Treasury Wine Estates Ltd.	Australia	Consumer Staples	355	5	3
Tryg AS	Denmark	Financials	108	4	4
Twilio Inc. Class A	United States	Information Technology	385	52	48
Twitter Inc.	United States	Communication Services	344	14	12
U.S. Bancorp	United States	Financials	761	51	37
Ubisoft Entertainment SA	France	Communication Services	47	5	5
UCB SA	Belgium	Health Care	52	5	6
Ulta Beauty Inc.	United States	Consumer Discretionary	318	110	79
Unibail-Rodamco SE & WFD Unibail-Rodamco NV (Amsterdam Stock Exchange)	Netherlands	Real Estate	85	14	7
Unilever NV CVA	United Kingdom	Consumer Staples	843	65	59
Unilever PLC	United Kingdom	Consumer Staples	608	46	43
United Utilities Group PLC	United Kingdom	Utilities	373	5	6
Unum Group	United States	Financials	197	8	4
UPM-Kymmene OYJ	Finland	Materials	225	8	9
Vail Resorts Inc.	United States	Consumer Discretionary	17	5	4
Valeo SA	France	Consumer Discretionary	100	5	2
Varian Medical Systems Inc.	United States	Health Care	39	6	6
Verizon Communications Inc.	United States	Communication Services	2,237	172	169
Vertex Pharmaceuticals Inc.	United States	Health Care	124	30	42
Vicinity Centres	Australia	Real Estate	3,597	6	3
Visa Inc. Class A	United States	Information Technology	908	184	206
Vodafone Group PLC	United Kingdom	Communication Services	14,660	43	29
Volvo AB Class B	Sweden	Industrials	3,376	72	57
Vonovia SE	Germany	Real Estate	299	20	21
Voya Financial Inc.	United States	Financials	2,784	199	159
Walgreens Boots Alliance Inc.	United States	Consumer Staples	404	32	26
The Walt Disney Co.	United States	Communication Services	959	154	130
Waters Corp.	United States	Health Care	34	10	9
The Weir Group PLC	United Kingdom	Industrials	100	3	1
Welltower Inc.	United States	Real Estate	197	19	13
Wesfarmers Ltd.	Australia	Consumer Discretionary	779	26	23
The Western Union Co.	United States	Information Technology	183	6	5
Westpac Banking Corp.	Australia	Financials	2,139	43	31
Weyerhaeuser Co.	United States	Real Estate	377	14	9
Whitbread PLC	United Kingdom	Consumer Discretionary	70	4	4
Willis Towers Watson PLC	United States	Financials	55	13	13
Wirecard AG	Germany	Information Technology	69	13	11
Wolters Kluwer NV	Netherlands	Industrials	3,106	269	310



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## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Woolworths Ltd.	Australia	Consumer Staples	676	21	21
WSP Global Inc.	Canada	Industrials	24	2	2
Yara International ASA	Norway	Materials	1,094	47	49
Zoetis Inc.	United States	Health Care	240	40	40
Zurich Insurance Group AG	Switzerland	Financials	84	37	42
<b>Total equities</b>				<b>14,128</b>	<b>13,299</b>
<b>EXCHANGE-TRADED FUNDS/NOTES</b>					
Mackenzie International Equity Index ETF	Canada	Exchange-Traded Funds/Notes	3,291	304	267
Mackenzie US Large Cap Equity Index ETF	Canada	Exchange-Traded Funds/Notes	5,379	635	564
<b>Total exchange-traded funds/notes</b>				<b>939</b>	<b>831</b>
Transaction costs				(6)	–
<b>Total investments</b>				<b>15,061</b>	<b>14,130</b>
Cash and cash equivalents					98
Other assets less liabilities					46
<b>Total net assets</b>					<b>14,274</b>

\* Related to Mackenzie. See Note 1



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## SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2020	
Effective Portfolio Allocation	% of NAV
Equities	99.0
Cash and short-term investments	0.7
Other assets (liabilities)	0.3

Effective Regional Allocation		% of NAV
United States	64.7	
France	7.2	
Canada	5.1	
United Kingdom	4.2	
Netherlands	4.0	
Australia	3.7	
Sweden	2.6	
Germany	2.6	
Other	1.2	
Norway	1.2	
Denmark	1.0	
Cash and short-term investments	0.7	
Switzerland	0.6	
Japan	0.5	
Finland	0.4	
Other assets (liabilities)	0.3	

Effective Sector Allocation		% of NAV
Information technology	18.2	
Financials	17.3	
Health care	14.1	
Consumer staples	13.3	
Consumer discretionary	13.1	
Utilities	6.4	
Industrials	6.2	
Communication services	4.7	
Materials	4.2	
Real estate	1.3	
Cash and short-term investments	0.7	
Other assets (liabilities)	0.3	
Energy	0.2	

March 31, 2019	
Effective Portfolio Allocation	% of NAV
Equities	99.4
Cash and short-term investments	0.6

Effective Regional Allocation		% of NAV
United States	64.6	
France	8.0	
Canada	5.1	
United Kingdom	4.2	
Sweden	3.8	
Australia	3.0	
Netherlands	2.8	
Germany	2.6	
Other	1.2	
Hong Kong	1.2	
Norway	0.8	
Switzerland	0.6	
Cash and short-term investments	0.6	
Finland	0.5	
Japan	0.5	
Spain	0.5	

Effective Sector Allocation		% of NAV
Financials	19.5	
Information technology	15.5	
Consumer discretionary	15.2	
Consumer staples	13.3	
Health care	8.9	
Utilities	7.5	
Industrials	6.6	
Communication services	6.2	
Energy	2.7	
Materials	2.4	
Real estate	1.6	
Cash and short-term investments	0.6	

The effective allocation shows the portfolio, regional or sector exposure of the ETF calculated by combining its direct and indirect investments.



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## NOTES TO FINANCIAL STATEMENTS

### 1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the periods ended or as at March 31, 2020 and 2019, as applicable. In the year an exchange-traded fund (“the ETF”) is established, ‘period’ represents the period from inception to the period end of that fiscal year. Refer to Note 10 for the formation date of the ETF.

The ETF is organized as an open-ended mutual fund trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust as amended and restated from time to time. The address of the ETF’s registered office is 180 Queen Street West, Toronto, Ontario, Canada. The ETF is authorized to issue an unlimited number of units for sale under a Prospectus. The units of the ETF are listed on the Toronto Stock Exchange/Aequitas NEO Exchange (“the Exchange”).

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

### 2. Basis of Preparation and Presentation

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

These financial statements are presented in Canadian dollars, which is the ETF’s functional and presentation currency, and rounded to the nearest thousand unless otherwise indicated. These financial statements are prepared on a going concern basis using the historical cost basis, except for financial assets and liabilities that have been measured at fair value.

These financial statements were authorized for issue by the Board of Directors of Mackenzie Financial Corporation on July 13, 2020.

### 3. Significant Accounting Policies

#### (a) Financial instruments

Financial instruments include financial assets and liabilities such as debt and equity securities, open-ended investment funds and derivatives. The ETF classifies and measures financial instruments in accordance with IFRS 9 *Financial Instruments* (“IFRS 9”). Upon initial recognition, financial instruments are classified as fair value through profit or loss (“FVTPL”). All financial instruments are recognized in the Statement of Financial Position when the ETF becomes a party to the contractual requirements of the instrument. Financial assets are derecognized when the right to receive cash flows from the instrument has expired or the ETF has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation is discharged, cancelled or expires. As such, investment purchase and sale transactions are recorded as of the trade date.

Financial instruments are subsequently measured at FVTPL with changes in fair value recognized in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net unrealized gain (loss).

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

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

Realized and unrealized gains and losses on investments are calculated based on the weighted average cost of investments and exclude commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income – Commissions and other portfolio transaction costs.

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



## NOTES TO FINANCIAL STATEMENTS

### 3. Significant Accounting Policies (cont'd)

#### (a) Financial instruments (cont'd)

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

#### (b) Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investments listed on a public securities exchange or traded on an over-the-counter market are valued on the basis of the last traded market price or close price recorded by the security exchange on which the security is principally traded, where this price falls within the quoted bid-ask spread for the investment. In circumstances where this price is not within the bid-ask spread, Mackenzie determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. Mutual fund securities of an underlying fund are valued on a business day at the price calculated by the manager of such underlying fund in accordance with the constating documents of such underlying fund. Unlisted or non-exchange traded investments, or investments where a last sale or close price is unavailable or investments for which market quotations are, in Mackenzie's opinion, inaccurate, unreliable, or not reflective of all available material information, are valued at their fair value as determined by Mackenzie using appropriate and accepted industry valuation techniques including valuation models. The fair value determined using valuation models requires the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices. In limited circumstances, the fair value may be determined using valuation techniques that are not supported by observable market data.

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

Cash and cash equivalents which includes cash on deposit with financial institutions and short-term investments that are readily convertible to cash, are subject to an insignificant risk of changes in value, and are used by the ETF in the management of short-term commitments. Cash and cash equivalents are reported at fair value which closely approximates their amortized cost due to their nature of being highly liquid and having short terms to maturity. Bank overdraft positions are presented under current liabilities as bank indebtedness in the Statement of Financial Position.

The ETF may use derivatives (such as written options, futures, forward contracts, swaps or customized derivatives) to hedge against losses caused by changes in securities prices, interest rates or exchange rates. The ETF may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, to gain exposure to other currencies, to seek to generate additional income, and/or for any other purpose considered appropriate by the ETF's portfolio manager(s), provided that the use of the derivative is consistent with the ETF's investment objectives. Any use of derivatives will comply with Canadian mutual fund laws, subject to the regulatory exemptions granted to the ETF, as applicable.

Valuations of derivative instruments are carried out daily, using normal exchange reporting sources for exchange-traded derivatives and specific broker enquiry for over-the-counter derivatives.

The value of forward contracts is the gain or loss that would be realized if, on the valuation date, the positions were to be closed out. The change in value of forward contracts is included in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net unrealized gain (loss).

The value of futures contracts or swaps fluctuates daily, and cash settlements made daily, where applicable, by the ETF are equal to the unrealized gains or losses on a "mark to market" basis. These unrealized gains or losses are recorded and reported as such until the ETF closes out the contract or the contract expires. Margin paid or deposited in respect of futures contracts or swaps is reflected as a receivable in the Statement of Financial Position – Margin on derivatives. Any change in the variation margin requirement is settled daily.

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

Refer to the Schedule of Derivative Instruments and Schedule of Options Purchased/Written, as applicable, included in the Schedule of Investments for a listing of derivative and options positions as at March 31, 2020.

#### (c) Income recognition

Interest income from interest bearing investments is recognized using the effective interest method. Dividends are accrued as of the ex-dividend date. Realized gains or losses on the sale of investments, including foreign exchange gains or losses on such investments, are calculated on an average cost basis. Distributions received from an underlying fund are included in interest income, dividend income or realized gains (losses) on sale of investments, as appropriate.

## NOTES TO FINANCIAL STATEMENTS

### 3. Significant Accounting Policies (cont'd)

#### (d) Commissions and other portfolio transaction costs

Commissions and other portfolio transaction costs are costs incurred to acquire, issue or dispose of financial assets or liabilities. They include fees and commissions paid to agents, advisers, brokers and dealers. Commissions may be paid to brokerage firms which provide (or pay for) certain services, other than order execution, which may include investment research, analysis and reports, and databases or software in support of these services. Where applicable and ascertainable, the value of third-party services that were paid for by brokers during the periods is disclosed in Note 10. The value of certain proprietary services provided by brokers cannot be reasonably estimated. Mackenzie may reimburse the ETF for certain commissions and other portfolio transaction costs. Mackenzie may make these reimbursements at its discretion and stop these reimbursements at any time without notice. Any such reimbursements are included in the Statement of Comprehensive Income – expenses absorbed by Manager.

#### (e) Securities lending, repurchase and reverse repurchase transactions

The ETF is permitted to enter into securities lending, repurchase and reverse repurchase transactions as set out in the ETF's Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date. Securities lending transactions are administered by Canadian Imperial Bank of Commerce (the "Securities Lending Agent"). The value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions is included in the Statement of Comprehensive Income – Securities lending income and recognized when earned.

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

#### (f) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the ETF enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statement of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. Note 10 summarizes the details of such offsetting, if applicable.

Income and expenses are not offset in the Statement of Comprehensive Income unless required or permitted to by an accounting standard, as specifically disclosed in the IFRS policies of the ETF.

#### (g) Foreign currency

The functional and presentation currency of the ETF is Canadian dollars. Foreign currency purchases and sales of investments and foreign currency dividend and interest income and expenses are translated to Canadian dollars at the rate of exchange prevailing at the time of the transactions.

Foreign exchange gains (losses) on purchases and sales of foreign currencies are included in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net realized gain (loss).

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

#### (h) Net assets attributable to unitholders per unit

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

#### (i) Net asset value per unit

The daily Net Asset Value ("NAV") of an investment fund may be calculated without reference to IFRS as per the Canadian Securities Administrators' ("CSA") regulations. The difference between NAV and Net assets attributable to unitholders (as reported in the financial statements), if any, is mainly due to differences in fair value of investments and other financial assets and liabilities. Refer to Note 10 for the ETF's NAV per unit.

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

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

## NOTES TO FINANCIAL STATEMENTS

### 4. Critical Accounting Estimates and Judgments

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

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

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

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

#### Use of Estimates

##### *Fair value of securities not quoted in an active market*

The ETF may hold financial instruments that are not quoted in active markets and are valued using valuation techniques that make use of observable data, to the extent practicable. Various valuation techniques are utilized, depending on a number of factors, including comparison with similar instruments for which observable market prices exist and recent arm's length market transactions. Key inputs and assumptions used are company specific and may include estimated discount rates and expected price volatilities. Changes in key inputs, could affect the reported fair value of these financial instruments held by the ETF.

#### Use of Judgments

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

In classifying and measuring financial instruments held by the ETF, Mackenzie is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9. Mackenzie has assessed the ETF's business model, the manner in which all financial instruments are managed and performance evaluated as a group on a fair value basis, and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the ETF's financial instruments.

##### *Functional currency*

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

##### *Structured entities and associates*

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

### 5. Income Taxes

The ETF qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains in the taxation year, which is not paid or payable to its unitholders as at the end of the taxation year. It is the intention of the ETF to distribute all of its net income and sufficient net realized capital gains so that the ETF will not be subject to income taxes other than foreign withholding taxes, if applicable.

Losses of the ETF cannot be allocated to investors and are retained in the ETF for use in future years. Non-capital losses may be carried forward up to 20 years to reduce taxable income and realized capital gains of future years. Capital losses may be carried forward indefinitely to reduce future realized capital gains. Refer to Note 10 for the ETF's loss carryforwards.

## NOTES TO FINANCIAL STATEMENTS

### 6. Management Fees and Operating Expenses

Mackenzie is paid a management fee for managing the investment portfolio, providing investment analysis and recommendations, making investment decisions and making brokerage arrangements relating to the purchase and sale of the investment portfolio. The management fee is calculated as a fixed annual percentage of the daily net asset value of the units of the ETF.

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

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

### 7. Units and Unit Transactions

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

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

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

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

### 8. ETF's Capital

The capital of the ETF is comprised of the net assets attributable to unitholders. The units outstanding for the ETF as at March 31, 2020 and 2019 and units issued, reinvested and redeemed for the periods are presented in the Statement of Changes in Financial Position. Mackenzie manages the capital of the ETF in accordance with the investment objectives as discussed in Note 10.

### 9. Financial Instruments Risk

#### i. Risk exposure and management

The ETF's investment activities expose it to a variety of financial risks, as defined in IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7"). The ETF's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, as at March 31, 2020, grouped by asset type, with geographic and sector information.

## NOTES TO FINANCIAL STATEMENTS

### 9. Financial Instruments Risk (cont'd)

#### i. Risk exposure and management (cont'd)

Mackenzie seeks to minimize potential adverse effects of financial risks on the ETF's performance by employing professional, experienced portfolio advisors, by monitoring the ETF's positions and market events daily, by diversifying the investment portfolio within the constraints of the ETF's investment objectives, and where applicable, by using derivatives to hedge certain risk exposures. To assist in managing risks, Mackenzie also maintains a governance structure that oversees the ETF's investment activities and monitors compliance with the ETF's stated investment strategy, internal guidelines, and securities regulations.

#### ii. Liquidity risk

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

#### iii. Currency risk

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

#### iv. Interest rate risk

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

#### v. Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. This risk is managed through a careful selection of investments and other financial instruments within the parameters of the investment strategies. Except for certain derivative contracts, the maximum risk resulting from financial instruments is equivalent to their fair value. The maximum risk of loss on certain derivative contracts such as forwards, swaps, and futures contracts is equal to their notional values. In the case of written call (put) options and short futures contracts, the loss to the ETF continues to increase, without limit, as the fair value of the underlying interest increases (decreases). However, these instruments are generally used within the overall investment management process to manage the risk from the underlying investments and do not typically increase the overall risk of loss to the ETF. This risk is mitigated by ensuring that the ETF holds a combination of the underlying interest, cash cover and/or margin that is equal to or greater than the value of the derivative contract. Note 10 summarizes the ETF's exposure, if applicable and significant, to other price risk.

#### vi. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the ETF. Note 10 summarizes the ETF's exposure, if applicable and significant, to credit risk.

All transactions in listed securities are executed with approved brokers. To minimize the possibility of settlement default, securities are exchanged for payment simultaneously, where market practices permit, through the facilities of a central depository and/or clearing agency where customary.

The carrying amount of investments and other assets represents the maximum credit risk exposure as at the date of the Statement of Financial Position.

The ETF may enter into securities lending transactions with counterparties and it may also be exposed to credit risk from the counterparties to the derivative instruments it may use. Credit risk associated with these transactions is considered minimal as all counterparties have a rating equivalent to a designated rating organization's credit rating of not less than A-1 (low) on their short-term debt and of A on their long-term debt, as applicable.

#### vii. Underlying ETFs

The ETF may invest in underlying ETFs and may be indirectly exposed to currency risk, interest rate risk, other price risk and credit risk from fluctuations in the value of financial instruments held by the underlying ETFs. Note 10 summarizes the ETF's exposure, if applicable and significant, to these risks from underlying ETF.

# MACKENZIE GLOBAL LEADERSHIP IMPACT ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ACTIVE EQUITY ETF

## NOTES TO FINANCIAL STATEMENTS

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

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

Date of Formation November 7, 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 MWMN on December 4, 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 \$29.65 (2019 – \$32.59).

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

As at March 31, 2020, there were no differences between the ETF's NAV per unit (2019 – \$32.60) and its Net Assets per unit calculated in accordance with IFRS (2019 – \$32.60).

#### (b) Investments by Mackenzie and Affiliates

As at March 31, 2020, Mackenzie and other funds managed by Mackenzie had an investment of \$Nil and \$7,445 (2019 – \$326 and \$20), 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	560	132
Value of collateral received	591	138

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 Fund for the periods ended March 31, 2020 and 2019 is as follows:

	2020		2019	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	1	100.0	1	100.0
Tax withheld	–	–	–	–
	1	100.0	1	100.0
Payments to Securities Lending Agent	–	–	–	–
Securities lending income	1	100.0	1	100.0

#### (e) Offsetting of Financial Assets and Liabilities

As at March 31, 2020 and 2019, there were no amounts subject to offsetting.

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

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

The ETF seeks long-term capital growth by investing primarily in companies that promote gender diversity and women's leadership, anywhere in the world.

# MACKENZIE GLOBAL LEADERSHIP IMPACT ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ACTIVE EQUITY ETF

## NOTES TO FINANCIAL STATEMENTS

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

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

##### ii. Currency risk

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

March 31, 2020				
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	8,701	(8)	–	8,693
Euro	2,093	197	–	2,290
British pound	498	70	–	568
Australian dollar	510	3	–	513
Swedish krona	362	–	–	362
Norwegian krone	165	106	–	271
Danish krone	132	6	–	138
Swiss franc	56	–	–	56
Hong Kong dollar	30	–	–	30
New Zealand dollar	13	2	–	15
Singapore dollar	9	–	–	9
Israeli shekel	4	(1)	–	3
Total	12,573	375	–	12,948
% of Net Assets	88.1	2.6	–	90.7

March 31, 2019				
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	3,978	–	–	3,978
Euro	955	–	–	955
Swedish krona	248	–	–	248
British pound	228	–	–	228
Australian dollar	184	1	–	185
Hong Kong dollar	72	–	–	72
Norwegian krone	53	–	–	53
Swiss franc	30	–	–	30
Danish krone	17	–	–	17
Singapore dollar	11	–	–	11
New Zealand dollar	7	–	–	7
Israeli shekel	5	–	–	5
Total	5,788	1	–	5,789
% of Net Assets	88.8	–	–	88.8

\* Includes both monetary and non-monetary financial instruments



**MACKENZIE**  
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# MACKENZIE GLOBAL LEADERSHIP IMPACT ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

ACTIVE EQUITY 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)*

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 \$688 or 4.8% of total net assets (2019 – \$307 or 4.7%). In practice, the actual trading results may differ and the difference could be material.

##### *iii. Interest rate risk*

As at March 31, 2020 and 2019, the ETF did not have a significant exposure to interest rate risk.

##### *iv. Other price risk*

The ETF's most significant exposure to price risk arises from its investment in equity securities and exchange-traded funds/notes. As at March 31, 2020, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased by approximately \$1,413 or 9.9% (2019 – \$648 or 9.9%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

##### *v. Credit risk*

As at March 31, 2020 and 2019, the ETF did not have a significant exposure to credit risk.

#### (g) Fair Value Classification

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

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The inputs are considered observable if they are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumption that market participants would use when pricing the asset or liability.

	March 31, 2020				March 31, 2019			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	13,299	–	–	13,299	6,119	–	–	6,119
Exchange-traded funds/notes	831	–	–	831	364	–	–	364
Total	14,130	–	–	14,130	6,483	–	–	6,483

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.