

# MACKENZIE EMERGING MARKETS BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

TRADITIONAL FIXED INCOME INDEX ETF

## MANAGEMENT REPORT

### Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by Mackenzie Financial Corporation, as Manager of Mackenzie Emerging Markets Bond Index ETF (CAD-Hedged) (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 Emerging Markets Bond Index ETF (CAD-Hedged) (the "ETF")

### Opinion

We have audited the financial statements of the ETF, which comprise the statement of financial position as at March 31, 2020, and the statements of comprehensive income, changes in financial position and cash flows for the period 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 its financial performance and its cash flows for the period 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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## STATEMENT OF FINANCIAL POSITION

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

	2020 \$
<b>ASSETS</b>	
<b>Current assets</b>	
Investments at fair value	468,353
Cash and cash equivalents	–
Accrued interest receivable	7,281
Accounts receivable for investments sold	32,146
Accounts receivable for units issued	4,276
Unrealized gains on derivative contracts	7,449
<b>Total assets</b>	<b>519,505</b>
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Bank indebtedness	510
Accounts payable for investments purchased	7,247
Accounts payable for units redeemed	–
Due to manager	166
Unrealized losses on derivative contracts	33,231
<b>Total liabilities</b>	<b>41,154</b>
<b>Net assets attributable to unitholders</b>	<b>478,351</b>
<b>Net assets attributable to unitholders per series (note 3)</b>	
Series E	478,351
<b>Net assets attributable to unitholders per unit (note 3)</b>	
Series E	86.19

## STATEMENT OF COMPREHENSIVE INCOME

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

	2020 \$
<b>Income</b>	
Interest income	10,287
Other changes in fair value of investments and other net assets	
Net realized gain (loss)	(11,222)
Net unrealized gain (loss)	(66,198)
Other	1,304
<b>Total income (loss)</b>	<b>(65,829)</b>
<b>Expenses (note 6)</b>	
Management fees	977
Management fee rebates	(765)
Interest charges	12
Commissions and other portfolio transaction costs	29
Independent Review Committee fees	–
<b>Expenses before amounts absorbed by Manager</b>	<b>253</b>
Expenses absorbed by Manager	–
<b>Net expenses</b>	<b>253</b>
<b>Increase (decrease) in net assets attributable to unitholders from operations before tax</b>	<b>(66,082)</b>
Foreign withholding taxes	–
Foreign income taxes paid (recovered)	–
<b>Increase (decrease) in net assets attributable to unitholders from operations</b>	<b>(66,082)</b>
<b>Increase (decrease) in net assets attributable to unitholders from operations per series</b>	<b>(66,082)</b>
Series E	(66,082)
<b>Increase (decrease) in net assets attributable to unitholders from operations per unit</b>	<b>(22.53)</b>
Series E	(22.53)

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



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## STATEMENT OF CHANGES IN FINANCIAL POSITION

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

	<b>2020</b>
	<b>Series E</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<b>\$</b>
<b>Beginning of period</b>	-
Increase (decrease) in net assets from operations	(66,082)
Distributions paid to unitholders:	
Investment income	(8,361)
Capital gains	-
Management fee rebates	(765)
Total distributions paid to unitholders	(9,126)
Unit transactions:	
Proceeds from units issued	562,834
Reinvested distributions	-
Payments on redemption of units	(9,275)
Total unit transactions	553,559
<b>Total increase (decrease) in net assets</b>	<b>478,351</b>
<b>End of period</b>	<b>478,351</b>
<b>Increase (decrease) in units (note 7):</b>	<b>Units</b>
<b>Units outstanding – beginning of period</b>	-
Issued	5,650
Reinvested distributions	-
Redeemed	(100)
<b>Units outstanding – end of period</b>	<b>5,550</b>

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## STATEMENT OF CASH FLOWS

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

	2020
	\$
<b>Cash flows from operating activities</b>	
Net increase (decrease) in net assets attributable to unitholders from operations	(66,082)
Adjustments for:	
Net realized loss (gain) on investments	669
Change in net unrealized loss (gain) on investments	66,198
Purchase of investments	(598,769)
Proceeds from sale and maturity of investments	64,434
Change in accrued interest receivable	(7,281)
Change in due to manager	166
<b>Net cash from operating activities</b>	<b>(540,665)</b>
<b>Cash flows from financing activities</b>	
Proceeds from units issued	558,558
Payments on redemption of units	(9,275)
Distributions paid net of reinvestments	(9,126)
<b>Net cash from financing activities</b>	<b>540,157</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(508)</b>
Cash and cash equivalents at beginning of period	–
Effect of exchange rate fluctuations on cash and cash equivalents	(2)
<b>Cash and cash equivalents at end of period</b>	<b>(510)</b>
Cash	–
Cash equivalents	–
Bank indebtedness	(510)
<b>Cash and cash equivalents at end of period</b>	<b>(510)</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>	
Dividends received	–
Foreign taxes paid	–
Interest received	3,006
Interest paid	12

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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>BONDS</b>					
Abu Dhabi Crude Oil Pipeline LLC 4.60% 11-02-2047	United Arab Emirates	Corporate - Non Convertible	USD 1,680,000	2,563	2,355
Abu Dhabi National Energy Co. PJSC 3.88% 05-06-2024	United Arab Emirates	Corporate - Non Convertible	USD 4,167,000	5,793	5,861
Abu Dhabi National Energy Co. PJSC 4.38% 06-22-2026	United Arab Emirates	Corporate - Non Convertible	USD 1,262,000	1,828	1,793
Abu Dhabi National Energy Co. PJSC 6.50% 10-27-2036	United Arab Emirates	Corporate - Non Convertible	USD 1,141,000	2,061	1,843
Abu Dhabi National Energy Co. PJSC 4.00% 10-03-2049	United Arab Emirates	Corporate - Non Convertible	USD 1,095,000	1,507	1,422
Arab Republic of Egypt 5.88% 06-11-2025	Egypt	Foreign Governments	USD 587,000	823	746
Banco Nacional de Comercio Exterior SNC 4.38% 10-14-2025	Mexico	Corporate - Non Convertible	USD 1,293,000	1,798	1,699
Banco Nacional de Costa Rica 6.25% 11-01-2023	Costa Rica	Corporate - Non Convertible	USD 1,115,000	1,569	1,451
Bank of China Ltd. 2.88% 04-20-2022	China	Corporate - Non Convertible	USD 1,541,000	2,071	2,220
Bank of India 6.25% 02-16-2021	India	Corporate - Non Convertible	USD 979,000	1,354	1,392
Bharat Petroleum Corp. Ltd. 4.63% 10-25-2022	India	Corporate - Non Convertible	USD 435,000	604	596
Bharat Petroleum Corp. Ltd. 4.00% 05-08-2025	India	Foreign Governments	USD 658,000	904	826
BOC Aviation Ltd. 3.50% 10-10-2024	Singapore	Corporate - Non Convertible	USD 435,000	598	656
Centrais Eletricas Brasileiras SA 4.63% 02-04-2030	Brazil	Corporate - Non Convertible	USD 599,000	813	750
China Construction Bank Corp. 2.75% 06-13-2022	China	Corporate - Non Convertible	USD 1,886,000	2,521	2,752
China Great Wall AMC International Holdings Co. Ltd. 2.63% 10-27-2021	China	Corporate - Non Convertible	USD 2,760,000	3,647	3,950
China Huarong International Holdings Ltd. 3.75% 11-19-2020	China	Corporate - Non Convertible	USD 574,000	769	820
China Huarong International Holdings Ltd. 5.00% 11-19-2025	China	Corporate - Non Convertible	USD 504,000	727	736
China Petrochemical Corp. 4.10% 04-28-2045	China	Corporate - Non Convertible	USD 921,000	1,377	1,497
China Petroleum & Chemical Corp. 2.75% 05-03-2021	China	Corporate - Non Convertible	USD 1,278,000	1,702	1,809
China Petroleum & Chemical Corp. 3.13% 04-24-2023	China	Corporate - Non Convertible	USD 1,721,000	2,338	2,495
CNOOC Ltd. 4.38% 05-02-2028	China	Corporate - Non Convertible	USD 1,530,000	2,281	2,415
Colombia Government International Bond 4.00% 02-26-2024	Colombia	Foreign Governments	USD 1,408,000	1,994	2,014
Colombia Government International Bond 4.50% 01-28-2026	Colombia	Foreign Governments	USD 1,434,000	2,074	2,055
The Comisión Federal de Electricidad 5.75% 02-14-2042	Mexico	Corporate - Non Convertible	USD 652,000	978	858
Commonwealth Bank of Australia 5.15% 04-09-2020	Australia	Corporate - Non Convertible	650,000	650	650
Corp Nacional del Cobre de Chi 5.63% 10-18-2043	Chile	Corporate - Non Convertible	USD 684,000	1,184	1,058
Corp Nacional del Cobre de Chile 4.50% 09-16-2025	Chile	Corporate - Non Convertible	USD 1,362,000	1,975	1,989
Corp Nacional del Cobre de Chile 4.25% 07-17-2042	Chile	Corporate - Non Convertible	USD 370,000	546	501
Corp Nacional del Cobre de Chile 4.38% 02-05-2049 Callable 2048	Chile	Foreign Governments	USD 543,000	787	739
Corp Nacional del Cobre de Chile 3.70% 01-30-2050 Callable 2049	Chile	Corporate - Non Convertible	USD 1,341,000	1,817	1,622
Development Bank of Kazakhstan 4.13% 12-10-2022	Kazakhstan	Corporate - Non Convertible	USD 368,000	507	509
Dominican Republic 5.50% 01-27-2025	Dominican Republic	Foreign Governments	USD 614,000	755	837
Dominican Republic 5.95% 01-25-2027	Dominican Republic	Foreign Governments	USD 1,315,000	1,907	1,764
Dominican Republic 7.45% 04-30-2044	Dominican Republic	Foreign Governments	USD 543,000	867	749
Dominican Republic 6.85% 01-27-2045	Dominican Republic	Foreign Governments	USD 921,000	1,382	934
Dominican Republic 6.40% 06-05-2049	Dominican Republic	Foreign Governments	USD 543,000	785	680
DP World PLC 3.91% 05-31-2023	United Arab Emirates	Corporate - Non Convertible	USD 2,660,000	3,641	3,581
DP World PLC 5.63% 09-25-2048	United Arab Emirates	Corporate - Non Convertible	USD 511,000	778	610
Dubai DOF Sukuk Ltd. 6.45% 05-02-2022	United Arab Emirates	Corporate - Non Convertible	USD 1,049,000	1,526	1,531
Ecopetrol SA 7.38% 09-18-2043	Colombia	Corporate - Non Convertible	USD 756,000	1,342	1,084



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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>BONDS (cont'd)</b>					
Empresa Nacional del Petroleo 3.75% 08-05-2026	Chile	Corporate - Non Convertible	USD 435,000	596	575
Empresa Nacional del Petroleo 4.50% 09-14-2047	Chile	Corporate - Non Convertible	USD 669,000	941	750
Eskom Holdings SOC Ltd. 6.75% 08-06-2023	United States	Corporate - Non Convertible	USD 543,000	737	574
Eskom Holdings SOC Ltd. 7.13% 02-11-2025	South Africa	Corporate - Non Convertible	USD 543,000	738	550
The Export-Import Bank of China 2.00% 04-26-2021	China	Foreign Governments	USD 2,384,000	3,147	3,366
Export-Import Bank of India 4.00% 01-14-2023	India	Foreign Governments	USD 787,000	1,094	1,113
Export-Import Bank of India 3.38% 08-05-2026	India	Foreign Governments	USD 435,000	588	586
Export-Import Bank of India 3.25% 01-15-2030	India	Foreign Governments	USD 1,455,000	1,946	1,829
Export-Import Bank of Korea 3.25% 08-12-2026	South Korea	Foreign Governments	USD 1,098,000	1,678	1,683
Export-Import Bank of Malaysia BHD 2.48% 10-20-2021	Malaysia	Foreign Governments	USD 435,000	577	610
Fondo MIVIVIENDA SA 3.50% 01-31-2023	Peru	Foreign Governments	USD 1,041,000	1,412	1,394
Government of Brazil 6.00% 04-07-2026	Brazil	Foreign Governments	USD 2,366,000	3,672	3,794
Government of Brazil 10.13% 05-15-2027	Brazil	Foreign Governments	USD 520,000	990	1,001
Government of Abu Dhabi 3.13% 10-11-2027	United Arab Emirates	Foreign Governments	USD 1,475,000	2,070	2,122
Government of Angola 9.50% 11-12-2025	Republic of Angola	Foreign Governments	USD 945,000	1,462	573
Government of Angola 8.25% 05-09-2028	Republic of Angola	Foreign Governments	USD 1,008,000	1,444	591
Government of Angola 8.00% 11-26-2029	Republic of Angola	Foreign Governments	USD 435,000	610	256
Government of Angola 9.38% 05-08-2048	Republic of Angola	Foreign Governments	USD 1,551,000	2,204	870
Government of Argentina 8.00% 10-08-2020	Argentina	Foreign Governments	USD 1,036,000	931	387
Government of Argentina 6.88% 04-22-2021	Argentina	Foreign Governments	USD 1,934,000	1,589	821
Government of Argentina 5.63% 01-26-2022	Argentina	Foreign Governments	USD 782,000	482	328
Government of Argentina 8.75% 05-07-2024	Argentina	Foreign Governments	USD 3,138,000	2,273	1,092
Government of Argentina 5.75% 04-18-2025	Argentina	Foreign Governments	USD 693,000	507	229
Government of Argentina 7.50% 04-22-2026	Argentina	Foreign Governments	USD 4,187,000	2,697	1,694
Government of Argentina 6.88% 01-26-2027	Argentina	Foreign Governments	USD 1,517,000	1,226	608
Government of Argentina 5.88% 01-11-2028	Argentina	Foreign Governments	USD 650,000	505	255
Government of Argentina 8.28% 12-31-2033	Argentina	Foreign Governments	USD 949,180	832	480
Government of Argentina 8.28% 12-31-2033 (LOC)	Argentina	Foreign Governments	USD 1,099,198	723	540
Government of Argentina 7.13% 07-06-2036	Argentina	Foreign Governments	USD 791,000	470	297
Government of Argentina 3.75% 12-31-2038	Argentina	Foreign Governments	USD 1,823,000	1,197	781
Government of Argentina 7.63% 04-22-2046	Argentina	Foreign Governments	USD 678,000	388	253
Government of Argentina 6.88% 01-11-2048	Argentina	Foreign Governments	USD 1,404,000	1,068	531
Government of Argentina 7.13% 06-28-2117	Argentina	Foreign Governments	USD 628,000	478	241
Government of Azerbaijan 3.50% 09-01-2032	Azerbaijan	Foreign Governments	USD 563,000	745	672
Government of Bahrain 6.13% 07-05-2022	Bahrain	Foreign Governments	USD 913,000	1,301	1,226
Government of Bahrain 7.00% 10-12-2028	Bahrain	Foreign Governments	USD 1,964,000	3,016	2,533
Government of Bahrain 7.50% 09-20-2047	Bahrain	Foreign Governments	USD 500,000	785	595
Government of Brazil 4.25% 01-07-2025	Brazil	Foreign Governments	USD 3,594,000	5,108	5,342
Government of Brazil 5.63% 01-07-2041	Brazil	Foreign Governments	USD 543,000	833	789
Government of Brazil 5.00% 01-27-2045	Brazil	Foreign Governments	USD 1,170,000	1,660	1,577
Government of Brazil 5.63% 02-21-2047	Brazil	Foreign Governments	USD 932,000	1,413	1,361
Government of Brazil 4.75% 01-14-2050 Callable 2049	Brazil	Foreign Governments	USD 758,000	1,073	985
Government of Chile 3.13% 01-21-2026	Chile	Foreign Governments	USD 834,000	1,162	1,230
Government of Chile 3.24% 02-06-2028 Callable 2027	Chile	Foreign Governments	USD 662,000	942	989
Government of Chile 3.86% 06-21-2047	Chile	Foreign Governments	USD 435,000	651	672
Government of Chile 3.50% 01-25-2050	Chile	Foreign Governments	USD 435,000	620	637



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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>BONDS (cont'd)</b>					
Government of China 3.25% 10-19-2023	China	Foreign Governments	USD 1,910,000	2,681	2,903
Government of China 2.13% 12-03-2029	China	Foreign Governments	USD 1,123,000	1,479	1,641
Government of China 2.75% 12-03-2039	China	Foreign Governments	USD 606,000	784	863
Government of Colombia 4.38% 07-12-2021	Colombia	Foreign Governments	USD 1,071,000	1,474	1,530
Government of Colombia 8.13% 05-21-2024	Colombia	Foreign Governments	USD 76,000	124	124
Government of Colombia 3.88% 04-25-2027	Colombia	Foreign Governments	USD 1,197,000	1,700	1,674
Government of Colombia 5.63% 02-26-2044	Colombia	Foreign Governments	USD 1,047,000	1,735	1,632
Government of Colombia 5.20% 05-15-2049	Colombia	Foreign Governments	USD 837,000	1,341	1,244
Government of Costa Rica 7.00% 04-04-2044	Costa Rica	Foreign Governments	USD 993,000	1,381	1,132
Government of Costa Rica 7.16% 03-12-2045	Costa Rica	Foreign Governments	USD 1,230,000	1,702	1,403
Government of Cote D'Ivoire 6.38% 03-03-2028	Ivory Coast	Foreign Governments	USD 1,273,000	1,785	1,651
Government of Cote D'Ivoire 5.75% 12-31-2032 Callable 2020	Ivory Coast	Foreign Governments	USD 1,319,265	1,739	1,683
Government of Cote D'Ivoire 6.13% 06-15-2033	Ivory Coast	Foreign Governments	USD 1,134,000	1,501	1,400
Government of Croatia 5.50% 04-04-2023	Croatia	Foreign Governments	USD 2,097,000	3,091	2,967
Government of Croatia 6.00% 01-26-2024	Croatia	Foreign Governments	USD 1,338,000	2,032	2,044
Government of Dominican Republic 5.88% 01-30-2060	Dominican Republic	Foreign Governments	USD 444,000	594	533
Government of Ecuador 10.75% 03-28-2022	Ecuador	Foreign Governments	USD 1,977,000	2,747	873
Government of Ecuador 9.65% 12-13-2026	Ecuador	Foreign Governments	USD 915,000	1,185	341
Government of Ecuador 9.63% 06-02-2027	Ecuador	Foreign Governments	USD 556,000	674	215
Government of Ecuador 8.88% 10-23-2027	Ecuador	Foreign Governments	USD 713,000	885	257
Government of Ecuador 7.88% 01-23-2028	Ecuador	Foreign Governments	USD 876,000	1,010	350
Government of Ecuador 9.50% 03-27-2030	Ecuador	Foreign Governments	USD 1,021,000	1,223	431
Government of Egypt 6.13% 01-31-2022	Egypt	Foreign Governments	USD 1,328,000	1,829	1,806
Government of Egypt 7.50% 01-31-2027	Egypt	Foreign Governments	USD 1,208,000	1,797	1,553
Government of Egypt 7.60% 03-01-2029	Egypt	Foreign Governments	USD 2,147,000	3,120	2,715
Government of Egypt 8.50% 01-31-2047	Egypt	Foreign Governments	USD 1,167,000	1,715	1,354
Government of Egypt 7.90% 02-21-2048	Egypt	Foreign Governments	USD 437,000	617	502
Government of El Salvador 5.88% 01-30-2025	El Salvador	Foreign Governments	USD 1,134,000	1,588	1,414
Government of El Salvador 8.63% 02-28-2029	El Salvador	Foreign Governments	USD 774,000	1,245	1,066
Government of El Salvador 7.65% 06-15-2035	El Salvador	Foreign Governments	USD 1,034,000	1,533	1,252
Government of El Salvador 7.12% 01-20-2050	El Salvador	Foreign Governments	USD 754,000	1,057	827
Government of Ghana 10.75% 10-14-2030	Ghana	Foreign Governments	USD 541,000	922	830
Government of Ghana 8.13% 03-26-2032	Ghana	Foreign Governments	USD 1,564,000	2,098	1,571
Government of Ghana 8.63% 06-16-2049	Ghana	Foreign Governments	USD 435,000	588	433
Government of Ghana 8.95% 03-26-2051	Ghana	Foreign Governments	USD 652,000	879	652
Government of Hungary 6.38% 03-29-2021	Hungary	Foreign Governments	USD 1,116,000	1,568	1,631
Government of Hungary 5.75% 11-22-2023	Hungary	Foreign Governments	USD 1,653,000	2,484	2,569
Government of Hungary 7.63% 03-29-2041	Hungary	Foreign Governments	USD 452,000	1,004	1,019
Government of Indonesia 4.88% 05-05-2021	Indonesia	Foreign Governments	USD 543,000	751	774
Government of Indonesia 5.38% 10-17-2023	Indonesia	Foreign Governments	USD 1,773,000	2,616	2,665
Government of Indonesia 4.75% 02-11-2029	Indonesia	Foreign Governments	USD 1,058,000	1,618	1,620
Government of Indonesia 3.40% 09-18-2029	Indonesia	Foreign Governments	USD 1,079,000	1,502	1,498
Government of Indonesia 7.75% 01-17-2038	Indonesia	Foreign Governments	USD 1,556,000	3,095	3,043
Government of Indonesia 4.63% 04-15-2043	Indonesia	Foreign Governments	USD 841,000	1,279	1,264
Government of Indonesia 6.75% 01-15-2044	Indonesia	Foreign Governments	USD 3,101,000	5,994	5,720
Government of Indonesia 5.13% 01-15-2045	Indonesia	Foreign Governments	USD 789,000	1,257	1,244
Government of Indonesia 4.35% 01-11-2048	Indonesia	Foreign Governments	USD 1,743,000	2,550	2,528
Government of Jamaica 6.75% 04-28-2028	Jamaica	Foreign Governments	USD 974,000	1,528	1,430



**MACKENZIE**  
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## SCHEDULE OF INVESTMENTS (cont'd)

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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Government of Jamaica 8.00% 03-15-2039	Jamaica	Foreign Governments	USD 862,000	1,513	1,335
Government of Jamaica 7.88% 07-28-2045	Jamaica	Foreign Governments	USD 1,240,000	2,187	1,885
Government of Kazakhstan 5.13% 07-21-2025	Kazakhstan	Foreign Governments	USD 1,378,000	2,090	2,095
Government of Kazakhstan 6.50% 07-21-2045	Kazakhstan	Foreign Governments	USD 507,000	970	938
Government of Kenya 7.00% 05-22-2027	Kenya	Foreign Governments	USD 1,401,000	1,972	1,829
Government of Kenya 7.25% 02-28-2028	Kenya	Foreign Governments	USD 634,000	905	834
Government of Kenya 8.00% 05-22-2032	Kenya	Foreign Governments	USD 1,408,000	2,030	1,838
Government of Kuwait 2.75% 03-20-2022	Kuwait	Foreign Governments	USD 613,000	820	869
Government of Kuwait 3.50% 03-20-2027	Kuwait	Foreign Governments	USD 2,812,000	4,054	4,125
Government of Lebanese Republic 6.65% 02-26-2030	Lebanon	Foreign Governments	USD 543,000	325	147
Government of Lebanon 8.25% 04-12-2021	Lebanon	Foreign Governments	USD 1,071,000	420	310
Government of Lebanon 6.25% 05-27-2022	Lebanon	Foreign Governments	USD 2,577,000	2,094	702
Government of Lebanon 6.85% 03-23-2027	Lebanon	Foreign Governments	USD 995,000	741	270
Government of Lebanon 6.65% 11-03-2028	Lebanon	Foreign Governments	USD 763,000	510	206
Government of Lebanon 6.85% 05-25-2029	Lebanon	Foreign Governments	USD 1,749,000	915	468
Government of Lebanon 7.05% 11-02-2035	Lebanon	Foreign Governments	USD 1,358,000	983	370
Government of Lebanon 7.25% 03-23-2037	Lebanon	Foreign Governments	USD 648,000	473	168
Government of Malaysia 3.18% 04-27-2026	Malaysia	Foreign Governments	USD 275,000	386	404
Government of Malaysia 4.08% 04-27-2046	Malaysia	Foreign Governments	USD 548,000	872	868
Government of Mexico 4.00% 10-02-2023	Mexico	Foreign Governments	USD 541,000	764	779
Government of Mexico 4.13% 01-21-2026	Mexico	Foreign Governments	USD 2,140,000	3,036	3,102
Government of Mexico 4.15% 03-28-2027	Mexico	Foreign Governments	USD 1,497,000	2,137	2,147
Government of Mexico 3.75% 01-11-2028	Mexico	Foreign Governments	USD 2,636,000	3,631	3,707
Government of Mexico 8.30% 08-15-2031	Mexico	Foreign Governments	USD 259,000	525	513
Government of Mexico 4.75% 03-08-2044	Mexico	Foreign Governments	USD 652,000	968	928
Government of Mexico 4.35% 01-15-2047	Mexico	Foreign Governments	USD 1,211,000	1,716	1,664
Government of Mexico 4.60% 02-10-2048	Mexico	Foreign Governments	USD 652,000	959	925
Government of Mexico 4.50% 01-31-2050	Mexico	Foreign Governments	USD 474,000	690	663
Government of Mexico 5.75% 10-12-2110	Mexico	Foreign Governments	USD 586,000	935	859
Government of Morocco 5.50% 12-11-2042	Morocco	Foreign Governments	USD 556,000	920	835
Government of Nigeria 7.63% 11-21-2025	Nigeria	Foreign Governments	USD 374,000	552	411
Government of Nigeria 6.50% 11-28-2027	Nigeria	Foreign Governments	USD 806,000	1,094	794
Government of Nigeria 7.14% 02-23-2030	Nigeria	Foreign Governments	USD 611,000	840	604
Government of Nigeria 7.88% 02-16-2032	Nigeria	Foreign Governments	USD 543,000	747	541
Government of Nigeria 7.70% 02-23-2038	Nigeria	Foreign Governments	USD 543,000	720	522
Government of Nigeria 7.63% 11-28-2047	Nigeria	Foreign Governments	USD 439,000	583	415
Government of Nigeria 9.25% 01-21-2049	Nigeria	Foreign Governments	USD 331,000	494	332
Government of Oman 3.63% 06-15-2021	Oman	Foreign Governments	USD 1,762,000	2,342	2,294
Government of Oman 4.13% 01-17-2023	Oman	Foreign Governments	USD 435,000	585	512
Government of Oman 4.75% 06-15-2026	Oman	Foreign Governments	USD 1,619,000	2,114	1,639
Government of Oman 6.00% 08-01-2029	Oman	Foreign Governments	USD 1,760,000	2,382	1,788
Government of Oman 6.50% 03-08-2047	Oman	Foreign Governments	USD 1,217,000	1,558	1,128
Government of Oman 6.75% 01-17-2048	Oman	Foreign Governments	USD 608,000	786	571
Government of Pakistan 5.63% 12-05-2022	Pakistan	Foreign Governments	USD 864,000	1,132	1,141
Government of Pakistan 8.25% 04-15-2024	Pakistan	Foreign Governments	USD 543,000	803	680
Government of Pakistan 6.88% 12-05-2027	Pakistan	Foreign Governments	USD 1,537,000	2,118	1,808
Government of Panama 4.00% 09-22-2024	Panama	Foreign Governments	USD 480,000	691	703
Government of Panama 3.75% 04-17-2026 (REGS)	Panama	Foreign Governments	USD 1,953,000	2,738	2,768
Government of Panama 3.75% 04-17-2026	Panama	Foreign Governments	USD 54,000	75	77



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## SCHEDULE OF INVESTMENTS (cont'd)

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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Government of Panama 8.88% 09-30-2027	Panama	Foreign Governments	USD 697,000	1,329	1,334
Government of Panama 9.38% 04-01-2029	Panama	Foreign Governments	USD 989,000	1,996	1,983
Government of Panama 4.50% 04-16-2050	Panama	Foreign Governments	USD 813,000	1,310	1,259
Government of Panama 4.30% 04-29-2053	Panama	Foreign Governments	USD 695,000	1,094	1,062
Government of Paraguay 4.63% 01-25-2023	Paraguay	Foreign Governments	USD 1,136,000	1,596	1,623
Government of Paraguay 6.10% 08-11-2044	Paraguay	Foreign Governments	USD 595,000	991	892
Government of Paraguay 5.60% 03-13-2048	Paraguay	Foreign Governments	USD 1,067,000	1,680	1,547
Government of Paraguay 5.40% 03-30-2050	Paraguay	Foreign Governments	USD 452,000	689	649
Government of Peru 4.13% 08-25-2027	Peru	Foreign Governments	USD 917,000	1,374	1,466
Government of Peru 2.84% 06-20-2030	Peru	Foreign Governments	USD 54,000	74	81
Government of Peru 8.75% 11-21-2033	Peru	Foreign Governments	USD 654,000	1,440	1,462
Government of Peru 5.63% 11-18-2050	Peru	Foreign Governments	USD 765,000	1,511	1,615
Government of Poland 5.00% 03-23-2022	Poland	Foreign Governments	USD 1,282,000	1,828	1,926
Government of Poland 3.00% 03-17-2023	Poland	Foreign Governments	USD 602,000	829	884
Government of Poland 4.00% 01-22-2024	Poland	Foreign Governments	USD 671,000	970	1,031
Government of Poland 3.25% 04-06-2026	Poland	Foreign Governments	USD 991,000	1,393	1,510
Government of Qatar 3.25% 06-02-2026	Qatar	Foreign Governments	USD 3,553,000	4,978	5,076
Government of Qatar 4.50% 04-23-2028	Qatar	Foreign Governments	USD 5,665,000	8,730	8,754
Government of Qatar 4.00% 03-14-2029	Qatar	Foreign Governments	USD 1,632,000	2,397	2,466
Government of Qatar 5.10% 04-23-2048	Qatar	Foreign Governments	USD 1,838,000	3,090	3,149
Government of Qatar 4.82% 03-14-2049	Qatar	Foreign Governments	USD 1,126,000	1,822	1,874
Government of Romania 6.75% 02-07-2022	Romania	Foreign Governments	USD 1,040,000	1,516	1,534
Government of Romania 4.38% 08-22-2023	Romania	Foreign Governments	USD 889,000	1,257	1,298
Government of Romania 4.88% 01-22-2024	Romania	Foreign Governments	USD 55,000	80	81
Government of Romania 6.13% 01-22-2044	Romania	Foreign Governments	USD 717,000	1,237	1,165
Government of Romania 5.13% 06-15-2048	Romania	Foreign Governments	USD 652,000	1,019	950
Government of Russia 4.88% 09-16-2023	Russia	Foreign Governments	USD 3,800,000	5,460	5,701
Government of Russia 12.75% 06-24-2028	Russia	Foreign Governments	USD 200,000	450	468
Government of Russia 4.38% 03-21-2029	Russia	Foreign Governments	USD 1,400,000	2,059	2,113
Government of Russia 5.10% 03-28-2035	Russia	Foreign Governments	USD 800,000	1,224	1,303
Government of Russia 5.63% 04-04-2042	Russia	Foreign Governments	USD 400,000	685	688
Government of Russia 5.25% 06-23-2047	Russia	Foreign Governments	USD 1,400,000	2,284	2,393
Government of Saudi Arabia 2.38% 10-26-2021	Saudi Arabia	Foreign Governments	USD 539,000	723	752
Government of Saudi Arabia 2.89% 04-20-2022	Saudi Arabia	Foreign Governments	USD 6,005,000	8,120	8,492
Government of Saudi Arabia 3.63% 03-04-2028	Saudi Arabia	Foreign Governments	USD 934,000	1,366	1,341
Government of Saudi Arabia 4.38% 04-16-2029	Saudi Arabia	Foreign Governments	USD 571,000	864	867
Government of Saudi Arabia 2.97% 10-29-2029	Saudi Arabia	Foreign Governments	USD 1,212,000	1,622	1,679
Government of Saudi Arabia 4.50% 04-17-2030	United Arab Emirates	Foreign Governments	USD 2,627,000	3,965	3,994
Government of Saudi Arabia 4.50% 10-26-2046	Saudi Arabia	Foreign Governments	USD 2,597,000	3,795	3,724
Government of Saudi Arabia 4.63% 10-04-2047	Saudi Arabia	Foreign Governments	USD 1,341,000	1,995	1,943
Government of Saudi Arabia 5.00% 04-17-2049	Saudi Arabia	Foreign Governments	USD 1,079,000	1,733	1,647
Government of Saudi Arabia 5.25% 01-16-2050	Saudi Arabia	Foreign Governments	USD 873,000	1,497	1,381
Government of Saudi Arabia 3.75% 01-21-2055	Saudi Arabia	Foreign Governments	USD 836,000	1,141	1,089
Government of South Africa 5.88% 09-16-2025	South Africa	Foreign Governments	USD 1,247,000	1,817	1,693
Government of South Africa 4.85% 09-27-2027	South Africa	Foreign Governments	USD 756,000	1,037	940
Government of South Africa 4.30% 10-12-2028	South Africa	Foreign Governments	USD 1,002,000	1,307	1,163
Government of South Africa 4.85% 09-30-2029	South Africa	Foreign Governments	USD 543,000	721	630
Government of South Africa 5.00% 10-12-2046	South Africa	Foreign Governments	USD 467,000	588	458
Government of South Africa 5.65% 09-27-2047	South Africa	Foreign Governments	USD 969,000	1,296	1,013



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## SCHEDULE OF INVESTMENTS (cont'd)

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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Government of South Africa 5.75% 09-30-2049	South Africa	Foreign Governments	USD 864,000	1,116	888
Government of South Korea 2.00% 06-19-2024	South Korea	Foreign Governments	USD 2,497,000	3,355	3,608
Government of Sri Lanka 6.85% 11-03-2025	Sri Lanka	Foreign Governments	USD 2,392,000	3,208	2,087
Government of Sri Lanka 6.20% 05-11-2027	Sri Lanka	Foreign Governments	USD 915,000	1,158	786
Government of Sri Lanka 7.85% 03-14-2029	Sri Lanka	Foreign Governments	USD 652,000	875	551
Government of the Philippines 7.50% 09-25-2024	Philippines	Foreign Governments	USD 1,080,000	1,723	1,716
Government of the Philippines 10.63% 03-16-2025	Philippines	Foreign Governments	USD 1,097,000	2,075	2,039
Government of the Philippines 7.75% 01-14-2031	Philippines	Foreign Governments	USD 563,000	1,113	1,126
Government of the Philippines 6.38% 10-23-2034	Philippines	Foreign Governments	USD 1,241,000	2,345	2,332
Government of the Philippines 3.70% 02-02-2042	Philippines	Foreign Governments	USD 2,349,000	3,542	3,665
Government of Turkey 5.63% 03-30-2021	Turkey	Foreign Governments	USD 2,197,000	2,997	3,079
Government of Turkey 5.00% 04-06-2023	Turkey	Foreign Governments	USD 968,000	1,316	1,275
Government of Turkey 6.35% 08-10-2024	Turkey	Foreign Governments	USD 1,701,000	2,365	2,276
Government of Turkey 7.38% 02-05-2025	Turkey	Foreign Governments	USD 3,772,000	5,472	5,231
Government of Turkey 6.13% 10-24-2028	Turkey	Foreign Governments	USD 1,925,000	2,605	2,392
Government of Turkey 7.63% 04-26-2029	Turkey	Foreign Governments	USD 2,783,000	4,066	3,746
Government of Turkey 6.00% 01-14-2041	Turkey	Foreign Governments	USD 1,215,000	1,532	1,344
Government of Turkey 4.88% 04-16-2043	Turkey	Foreign Governments	USD 1,914,000	2,164	1,885
Government of Turkey 6.63% 02-17-2045	Turkey	Foreign Governments	USD 652,000	882	758
Government of Turkey 5.75% 05-11-2047	Turkey	Foreign Governments	USD 2,216,000	2,679	2,308
Government of Ukraine 7.75% 09-01-2024	Ukraine	Foreign Governments	USD 1,043,000	1,521	1,358
Government of Ukraine 7.75% 09-01-2025	Ukraine	Foreign Governments	USD 552,000	803	710
Government of Ukraine 7.75% 09-01-2027	Ukraine	Foreign Governments	USD 541,000	789	700
Government of Ukraine 9.75% 11-01-2028	Ukraine	Foreign Governments	USD 858,000	1,379	1,179
Government of Ukraine 7.38% 09-25-2032	Ukraine	Foreign Governments	USD 826,000	1,168	1,061
Government of United Arab Emirates 3.13% 05-03-2026	United Arab Emirates	Foreign Governments	USD 2,992,000	4,152	4,310
Government of Uruguay 8.00% 11-18-2022	Uruguay	Foreign Governments	USD 418,000	622	642
Government of Uruguay 4.38% 01-23-2031	Uruguay	Foreign Governments	USD 1,278,000	1,897	1,966
Government of Uruguay 5.10% 06-18-2050	Uruguay	Foreign Governments	USD 1,819,000	2,906	2,922
Government of Uruguay 4.98% 04-20-2055	Uruguay	Foreign Governments	USD 291,000	469	469
Hindustan Petroleum Corp. Ltd. 4.00% 07-12-2027	India	Corporate - Non Convertible	USD 202,000	279	260
The International Bank of Azerbaijan 3.50% 09-01-2024 144A	Azerbaijan	Corporate - Non Convertible	USD 1,086,000	1,309	1,360
KazMunayGas National Co. JSC 5.75% 04-19-2047	Kazakhstan	Corporate - Non Convertible	USD 806,000	1,296	1,132
KazMunayGas National Co. JSC 6.38% 10-24-2048	Kazakhstan	Corporate - Non Convertible	USD 1,002,000	1,696	1,402
The Korea Development Bank 3.00% 09-14-2022	South Korea	Foreign Governments	USD 658,000	899	965
Korea East-West Power Co. Ltd. 3.88% 07-19-2023	South Korea	Corporate - Non Convertible	USD 6,506,000	9,111	9,754
Mexico City Airport Trust 5.50% 07-31-2047	Mexico	Corporate - Non Convertible	USD 648,000	900	753
OCP SA 5.63% 04-25-2024	Morocco	Corporate - Non Convertible	USD 2,077,000	3,032	2,910
OCP SA 4.50% 10-22-2025	Morocco	Corporate - Non Convertible	USD 756,000	1,074	1,009
The Oil and Gas Holding Co. BSC 7.50% 10-25-2027	Bahrain	Corporate - Non Convertible	USD 543,000	830	660
Oil India Ltd. 5.13% 02-04-2029	India	Corporate - Non Convertible	USD 371,000	559	462
Ooredoo QPSC 4.50% 01-31-2043	Qatar	Corporate - Non Convertible	USD 335,000	553	515
Pertamina Persero PT 4.875% 05-03-2022	Indonesia	Corporate - Non Convertible	USD 4,204,000	5,867	5,945
Pertamina Persero PT 6.50% 05-27-2041	Indonesia	Corporate - Non Convertible	USD 478,000	807	760
Perusahaan Listrik Negara PT 5.25% 10-24-2042	Indonesia	Foreign Governments	USD 591,000	878	824
Perusahaan Listrik Negara PT 6.25% 01-25-2049	Indonesia	Foreign Governments	USD 606,000	1,054	934
Petrobras Global Finance BV 6.90% 03-19-2049	Brazil	Corporate - Non Convertible	USD 652,000	1,030	896



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Petroleo Brasileiro SA 5.09% 01-15-2030	Brazil	Corporate - Non Convertible	USD 2,777,000	3,979	3,561
Petroleos del Peru SA 5.63% 06-19-2047	Peru	Corporate - Non Convertible	USD 435,000	676	558
Petroleos Mexicanos 6.88% 08-04-2026	Mexico	Corporate - Non Convertible	USD 1,810,000	2,654	1,964
Petroleos Mexicanos 5.35% 02-12-2028	Mexico	Corporate - Non Convertible	USD 1,267,000	1,614	1,259
Petroleos Mexicanos 6.84% 01-23-2030	Mexico	Corporate - Non Convertible	USD 750,000	1,065	769
Petroleos Mexicanos 6.63% 06-15-2035	Mexico	Corporate - Non Convertible	USD 652,000	877	638
Petroleos Mexicanos 6.75% 09-21-2047	Mexico	Corporate - Non Convertible	USD 1,958,000	2,477	1,823
Petroleos Mexicanos 7.69% 01-23-2050	Mexico	Corporate - Non Convertible	USD 4,072,000	5,537	4,013
Petroleos Mexicanos 6.95% 01-28-2060 Callable 2059	Mexico	Corporate - Non Convertible	USD 825,000	1,115	791
Petroliam Nasional BHD 3.13% 03-18-2022	Malaysia	Corporate - Non Convertible	USD 1,391,000	1,885	1,985
Petroliam Nasional BHD 4.50% 03-18-2045	Malaysia	Corporate - Non Convertible	USD 758,000	1,222	1,117
Power Sector Assets & Liabilities Management Corp. 7.39% 12-02-2024	Philippines	Corporate - Non Convertible	USD 356,000	591	588
Province of Buenos Aires 10.88% 01-26-2021	Argentina	Foreign Governments	USD 217,333	143	98
Provincia de Buenos Aires/Argentina 7.88% 06-15-2027	Argentina	Foreign Governments	USD 1,849,000	1,314	696
Provincia de Buenos Aires 6.50% 02-15-2023	Argentina	Foreign Governments	USD 3,629,000	1,764	1,366
PT Indonesia Asahan Aluminum (Persero) 6.53% 11-15-2028	Indonesia	Corporate - Non Convertible	USD 1,058,000	1,737	1,593
PT Pertamina (Persero) 6.45% 05-30-2044	Indonesia	Corporate - Non Convertible	USD 604,000	1,049	935
PT Perusahaan Gas Negara TBK 5.13% 05-16-2024	Indonesia	Corporate - Non Convertible	USD 543,000	789	753
Republic of Colombia 5.00% 06-15-2045 Callable	Colombia	Foreign Governments	USD 1,423,000	2,277	2,073
Russian Federation 5.88% 09-16-2043	Russia	Foreign Governments	USD 1,800,000	3,184	3,154
Saudi Electricity Global Sukuk 3.47% 04-08-2023	Saudi Arabia	Corporate - Non Convertible	USD 1,167,000	1,598	1,639
Saudi Electricity Global Sukuk 5.06% 04-08-2043	Saudi Arabia	Corporate - Non Convertible	USD 652,000	993	913
Sinochem Hong Kong (Group) Co. Ltd. 6.30% 11-12-2040	China	Corporate - Non Convertible	USD 1,243,000	2,274	2,519
State Bank of India 4.88% 04-17-2024	India	Corporate - Non Convertible	USD 435,000	621	623
State Development & Investment Corp. 3.75% 05-21-2029	China	Corporate - Non Convertible	USD 4,619,000	6,514	7,135
State Oil Co. of the Azerbaijan Republic 4.75% 03-13-2023	Azerbaijan	Corporate - Non Convertible	USD 587,000	814	807
State Oil Co. of the Azerbaijan Republic 6.95% 03-18-2030	Azerbaijan	Corporate - Non Convertible	USD 964,000	1,563	1,360
Transportadora de Gas Internacional SA ESP 5.55% 11-01-2028	Colombia	Corporate - Non Convertible	USD 895,000	1,361	1,222
Türkiye Vakıflar Bankası TAO 5.50% 10-27-2021	Turkey	Corporate - Non Convertible	USD 1,548,000	2,051	2,160
YPF SA 7.00% 12-15-2047	Argentina	Corporate - Non Convertible	USD 652,000	640	477
YPF Sociedad Anonima 8.75% 04-04-2024	Argentina	Foreign Governments	USD 817,000	965	657
YPF Sociedad Anonima 8.50% 07-28-2025	Argentina	Foreign Governments	USD 543,000	618	401
<b>Total bonds</b>				<b>509,128</b>	<b>468,353</b>
Transaction costs				(1)	—
<b>Total investments</b>				<b>509,127</b>	<b>468,353</b>
Derivative instruments (see schedule of derivative instruments)					(25,782)
Bank indebtedness					(510)
Other assets less liabilities					36,290
<b>Total net assets</b>					<b>478,351</b>



**MACKENZIE**  
Investments

# MACKENZIE EMERGING MARKETS BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

TRADITIONAL FIXED INCOME INDEX ETF

## SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2020

<b>Portfolio Allocation</b>	<b>% of NAV</b>
Bonds	97.9
Other assets (liabilities)	2.2
Cash and short-term investments	(0.1)

<b>Regional Allocation</b>	<b>% of NAV</b>
Other Asia	13.6
China	7.8
Indonesia	6.7
Other Europe	6.5
Other Africa	6.4
Other Southern America	6.3
Mexico	6.2
United Arab Emirates	6.2
Turkey	5.5
Saudi Arabia	5.3
Other	5.0
Qatar	4.6
Brazil	4.2
South Korea	3.3
Colombia	3.1
Argentina	2.6
Philippines	2.4
Chile	2.2
Other assets (liabilities)	2.2
Cash and short-term investments	(0.1)

<b>Sector Allocation</b>	<b>% of NAV</b>
Foreign government bonds	69.7
Corporate bonds	28.2
Other assets (liabilities)	2.2
Cash and short-term investments	(0.1)



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## SCHEDULE OF DERIVATIVE INSTRUMENTS

As at March 31, 2020

### Schedule of Forward Currency Contracts

Counterparty Credit Rating	Bought (\$ 000s)		Sold (\$ 000s)		Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized Gains (Losses) (\$ 000s)
A	1,042	U.S. dollar	(1,399)	Canadian dollar	Apr. 2, 2020	1,399	1,466	67
A	7,408	U.S. dollar	(9,880)	Canadian dollar	Apr. 2, 2020	9,880	10,425	545
A	7,044	U.S. dollar	(9,466)	Canadian dollar	Apr. 2, 2020	9,466	9,914	448
A	81,930	Canadian dollar	(57,547)	U.S. dollar	May 4, 2020	(81,930)	(80,955)	975
A	66,839	Canadian dollar	(46,946)	U.S. dollar	May 4, 2020	(66,839)	(66,041)	798
AA	3,914	Canadian dollar	(2,749)	U.S. dollar	May 4, 2020	(3,914)	(3,867)	47
A	383,290	Canadian dollar	(269,217)	U.S. dollar	May 4, 2020	(383,290)	(378,721)	4,569
Unrealized Gains								7,449
A	89,159	Canadian dollar	(66,277)	U.S. dollar	Apr. 2, 2020	(89,159)	(93,271)	(4,112)
AA	3,698	Canadian dollar	(2,749)	U.S. dollar	Apr. 2, 2020	(3,698)	(3,869)	(171)
A	398,152	Canadian dollar	(295,963)	U.S. dollar	Apr. 2, 2020	(398,152)	(416,511)	(18,359)
A	74,033	Canadian dollar	(55,032)	U.S. dollar	Apr. 2, 2020	(74,033)	(77,447)	(3,414)
A	26,746	U.S. dollar	(38,392)	Canadian dollar	Apr. 2, 2020	38,392	37,640	(752)
A	1,322	U.S. dollar	(1,877)	Canadian dollar	Apr. 2, 2020	1,877	1,860	(17)
A	57,547	U.S. dollar	(81,964)	Canadian dollar	Apr. 2, 2020	81,964	80,986	(978)
A	46,946	U.S. dollar	(66,865)	Canadian dollar	Apr. 2, 2020	66,865	66,067	(798)
AA	2,749	U.S. dollar	(3,915)	Canadian dollar	Apr. 2, 2020	3,915	3,869	(46)
A	269,217	U.S. dollar	(383,446)	Canadian dollar	Apr. 2, 2020	383,446	378,870	(4,576)
A	38,096	U.S. dollar	(53,599)	Canadian dollar	May 4, 2020	53,599	53,591	(8)
Unrealized (Losses)								(33,231)
<b>Total forward currency contracts</b>								<b>(25,782)</b>
<b>Total derivative instruments at fair value</b>								<b>(25,782)</b>



**MACKENZIE**  
Investments

# MACKENZIE EMERGING MARKETS BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

TRADITIONAL FIXED INCOME INDEX ETF

## 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.

# MACKENZIE EMERGING MARKETS BOND INDEX ETF (CAD-HEDGED)

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## 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.



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# MACKENZIE EMERGING MARKETS BOND INDEX ETF (CAD-HEDGED)

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## 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.



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## 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.



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## 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 EMERGING MARKETS BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

TRADITIONAL FIXED INCOME INDEX ETF

## NOTES TO FINANCIAL STATEMENTS

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

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

Date of Formation June 25, 2019

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

Series E units were listed on the TSX under the symbol QEBH on July 25, 2019. 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 \$85.07.

The management fee rate for Series E units is 0.45%.

As at March 31, 2020, the ETF's NAV per unit was \$86.18 and its Net Assets per unit calculated in accordance with IFRS was \$86.19.

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

As at March 31, 2020, other funds managed by Mackenzie and I.G. Investment Management, Ltd. had an investment of \$288,921 and \$183,248, 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

As at March 31, 2020, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.

#### (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	7,449	(7,449)	–	–
Unrealized losses on derivative contracts	(33,231)	7,449	–	(25,782)
Liability for options written	–	–	–	–
Total	(25,782)	–	–	(25,782)

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

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

The ETF seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Solactive EM USD Govt & Govt Related Bond Select CAD Hedged NTR Index or any successor thereto. It invests primarily in U.S. dollar-denominated, emerging market government bonds and government-related bonds. Foreign currency exposure is hedged back to the Canadian dollar.



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# MACKENZIE EMERGING MARKETS BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

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## NOTES TO FINANCIAL STATEMENTS

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

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

##### *ii. Currency risk*

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

Currency	March 31, 2020			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	467,703	(514)	(475,994)	(8,805)
Total	467,703	(514)	(475,994)	(8,805)
% of Net Assets	97.8	(0.1)	(99.5)	(1.8)

\* Includes both monetary and non-monetary financial instruments

As at March 31, 2020, had the Canadian dollar increased or decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have increased or decreased by approximately \$440 or 0.1% of total net assets. 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.

Bonds	March 31, 2020
	(\$)
Less than 1 year	8,057
1-5 years	147,316
5-10 years	153,281
Greater than 10 years	159,699
Total	468,353

As at March 31, 2020, had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased by approximately \$32,619 or 6.8% 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, the ETF did not have a significant exposure to price risk.



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# MACKENZIE EMERGING MARKETS BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

TRADITIONAL FIXED INCOME INDEX ETF

## NOTES TO FINANCIAL STATEMENTS

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

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

##### *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 5.6% of the net assets of the ETF.

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

Bond Rating*	March 31, 2020
	% of Net Assets
AA	10.7
A	12.9
BBB	33.1
Less than BBB	29.4
Unrated	11.8
Total	97.8

\* 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			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	468,353	–	468,353
Derivative assets	–	7,449	–	7,449
Derivative liabilities	–	(33,231)	–	(33,231)
Total	–	442,571	–	442,571

The ETF's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

During the period, there were no transfers between Level 1 and Level 2.

Financial instruments classified as Level 2 investments are valued based on the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data and using standard market convention practices.



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