

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

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 Local Currency Bond Index 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 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 unitholders 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

June 3, 2022

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Mackenzie Emerging Markets Local Currency Bond Index ETF (the "ETF")

Opinion

We have audited the financial statements of the ETF, which comprise the statements of financial position as at March 31, 2022 and 2021, 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, 2022 and 2021, 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. The other information comprises the Management Report of Fund Performance.

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

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

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

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



MACKENZIE
Investments

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

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 Erez Seiler.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
June 15, 2022

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

STATEMENTS OF FINANCIAL POSITION

at March 31 (in \$ 000 except per unit amounts)

	2022	2021
	\$	\$
ASSETS		
Current assets		
Investments at fair value	654,983	738,385
Cash and cash equivalents	10,984	5,518
Accrued interest receivable	8,136	9,145
Accounts receivable for investments sold	–	9,854
Accounts receivable for units issued	–	–
Due from manager	1	–
Derivative assets	93	177
Total assets	674,197	763,079
LIABILITIES		
Current liabilities		
Accounts payable for investments purchased	–	9,527
Accounts payable for units redeemed	–	–
Due to manager	291	393
Derivative liabilities	610	214
Total liabilities	901	10,134
Net assets attributable to unitholders	673,296	752,945

	Net assets attributable to unitholders (note 3)			
	per unit		per series	
	2022	2021	2022	2021
CAD Units	79.21	89.11	673,296	752,945
			673,296	752,945

STATEMENTS OF COMPREHENSIVE INCOME

for the periods ended March 31 (in \$ 000 except per unit amounts)

	2022	2021
	\$	\$
Income		
Interest income	38,582	17,238
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(68,283)	(4,846)
Net unrealized gain (loss)	(18,378)	(41,158)
Fee rebate income	–	1
Other	617	1,938
Total income (loss)	(47,462)	(26,827)
Expenses (note 6)		
Management fees	3,655	1,733
Management fee rebates	(3,637)	(1,496)
Interest charges	36	11
Commissions and other portfolio transaction costs	97	163
Independent Review Committee fees	2	1
Expenses before amounts absorbed by Manager	153	412
Expenses absorbed by Manager	–	–
Net expenses	153	412
Increase (decrease) in net assets attributable to unitholders from operations before tax	(47,615)	(27,239)
Foreign withholding tax expense (recovery)	1,058	158
Foreign income taxes paid (recovered)	–	–
Increase (decrease) in net assets attributable to unitholders from operations	(48,673)	(27,397)

	Increase (decrease) in net assets attributable to unitholders from operations (note 3)			
	per unit		per series	
	2022	2021	2022	2021
CAD Units	(5.70)	(7.37)	(48,673)	(27,397)
			(48,673)	(27,397)

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

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

STATEMENTS OF CHANGES IN FINANCIAL POSITION

for the periods ended March 31 (in \$ 000 except per unit amounts)

	CAD Units	
	2022	2021
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		
Beginning of period	752,945	222,839
Increase (decrease) in net assets from operations	(48,673)	(27,397)
Distributions paid to unitholders:		
Investment income	(32,208)	(15,777)
Capital gains	–	–
Management fee rebates	(3,637)	(1,496)
Total distributions paid to unitholders	(35,845)	(17,273)
Unit transactions:		
Proceeds from units issued	37,851	574,776
Reinvested distributions	–	–
Payments on redemption of units	(32,982)	–
Total unit transactions	4,869	574,776
Increase (decrease) in net assets attributable to unitholders	(79,649)	530,106
End of period	673,296	752,945
Increase (decrease) in units (in thousands) (note 7):	Units	
Units outstanding – beginning of period	8,450	2,400
Issued	450	6,050
Reinvested distributions	–	–
Redeemed	(400)	–
Units outstanding – end of period	8,500	8,450

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MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

STATEMENTS OF CASH FLOWS

for the periods ended March 31 (in \$ 000)

	2022	2021
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to unitholders from operations	(48,673)	(27,397)
Adjustments for:		
Net realized loss (gain) on investments	67,237	3,362
Change in net unrealized loss (gain) on investments	18,378	41,158
Purchase of investments	(400,088)	(791,852)
Proceeds from sale and maturity of investments	398,517	224,478
(Increase) decrease in accounts receivable and other assets	1,008	(5,904)
Increase (decrease) in accounts payable and other liabilities	(102)	298
Net cash provided by (used in) operating activities	36,277	(555,857)
Cash flows from financing activities		
Proceeds from units issued	37,851	574,776
Payments on redemption of units	(32,982)	–
Distributions paid net of reinvestments	(35,845)	(17,273)
Net cash provided by (used in) financing activities	(30,976)	557,503
Net increase (decrease) in cash and cash equivalents	5,301	1,646
Cash and cash equivalents at beginning of period	5,518	1,702
Effect of exchange rate fluctuations on cash and cash equivalents	165	2,170
Cash and cash equivalents at end of period	10,984	5,518
Cash	10,984	5,518
Cash equivalents	–	–
Cash and cash equivalents at end of period	10,984	5,518
Supplementary disclosures on cash flow from operating activities:		
Dividends received	–	–
Foreign taxes paid	1,058	158
Interest received	39,591	11,334
Interest paid	36	11

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

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

SCHEDULE OF INVESTMENTS

as at March 31, 2022

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
BONDS					
Asian Development Bank 5.25% 03-09-2023	Supra - National	n/a	PHP 10,000,000	286	243
Asian Development Bank 2.38% 04-29-2023	Supra - National	n/a	CNY 35,000,000	6,736	6,883
Asian Development Bank 7.80% 03-15-2034	Supra - National	n/a	IDR 10,000,000,000	930	911
The Asian Infrastructure Investment Bank 20.00% 04-12-2023	Supra - National	n/a	TRL 1,000,000	148	76
The Asian Infrastructure Investment Bank 4.50% 11-03-2023	Supra - National	n/a	MXN 50,000,000	3,022	2,918
Bank of China Ltd. 2.80% 07-09-2023	Hong Kong	Corporate - Non Convertible	CNY 5,000,000	965	982
Brazil Notas do Tesouro Nacional 10.00% 01-01-2027	Brazil	Foreign Governments	BRL 44,000,000	11,470	11,294
China Development Bank 2.89% 06-22-2025	China	Foreign Governments	CNY 3,000,000	607	594
China Development Bank 3.23% 11-27-2025	China	Foreign Governments	CNY 2,000,000	406	399
China Development Bank 3.30% 03-03-2026	China	Foreign Governments	CNY 2,000,000	412	402
China Development Bank 3.45% 09-20-2029	China	Foreign Governments	CNY 1,000,000	205	201
China Development Bank 3.41% 06-07-2031	China	Foreign Governments	CNY 5,000,000	1,000	1,006
Corporacion Andina de Fomento 8.50% 03-08-2028	Supra - National	n/a	MXN 10,000,000	648	615
European Bank for Reconstruction and Development 0% 06-07-2023	Supra - National	n/a	TRL 1,000,000	58	60
The European Bank for Reconstruction and Development 18.50% 10-02-2023	Supra - National	n/a	TRL 440,000	88	31
The European Bank for Reconstruction and Development 2.00% 02-05-2024	Supra - National	n/a	PHP 200,000,000	5,105	4,604
The European Bank for Reconstruction and Development 5.20% 05-28-2024	Supra - National	n/a	IDR 15,000,000,000	1,318	1,310
The European Bank for Reconstruction and Development 16.50% 06-18-2024	Supra - National	n/a	TRL 3,000,000	362	199
The European Bank for Reconstruction and Development 5.60% 01-30-2025	Supra - National	n/a	IDR 5,000,000,000	448	439
The European Bank for Reconstruction and Development 5.68% 02-22-2027	Supra - National	n/a	PEN 2,000,000	670	678
European Investment Bank 12.00% 05-12-2022	Supra - National	n/a	TRL 3,000,000	243	249
European Investment Bank 5.75% 01-24-2025	Supra - National	n/a	IDR 1,540,000,000	139	136
European Investment Bank 7.75% 01-30-2025	Supra - National	n/a	MXN 83,000,000	5,640	5,087
Export Development Canada 20.00% 04-08-2022	Canada	Federal Government	TRL 15,000,000	2,164	1,276
Export-Import Bank of Korea 8.00% 05-15-2024	South Korea	Foreign Governments	IDR 18,000,000,000	1,680	1,649
Export-Import Bank of Korea 7.25% 12-07-2024	South Korea	Foreign Governments	IDR 7,300,000,000	683	663
Export-Import Bank of Korea 6.50% 03-07-2025	South Korea	Foreign Governments	IDR 15,100,000,000	1,387	1,343
Export-Import Bank of Korea 3.70% 03-23-2026	South Korea	Foreign Governments	PHP 75,000,000	1,793	1,726
Export-Import Bank of Korea 7.93% 07-30-2026	South Korea	Foreign Governments	MXN 12,070,000	785	732
Government of Brazil 0% 01-01-2023	Brazil	Foreign Governments	BRL 11,000,000	2,381	2,640
Government of Brazil 0% 07-01-2023	Brazil	Foreign Governments	BRL 49,000,000	10,989	11,078
Government of Brazil 0% 01-01-2024	Brazil	Foreign Governments	BRL 69,000,000	14,739	14,834
Government of Brazil 0% 07-01-2024	Brazil	Foreign Governments	BRL 39,000,000	7,478	7,990
Government of Brazil 0% 01-01-2025	Brazil	Foreign Governments	BRL 37,000,000	6,251	7,199
Government of Brazil 10.00% 01-01-2025	Brazil	Foreign Governments	BRL 37,000,000	10,456	9,632
Government of Brazil 10.00% 01-01-2029	Brazil	Foreign Governments	BRL 28,000,000	7,265	7,051
Government of Brazil 10.00% 01-01-2031	Brazil	Foreign Governments	BRL 26,000,000	6,402	6,426
Government of Chile 4.00% 03-01-2023	Chile	Foreign Governments	CLP 405,000,000	756	631
Government of Chile 2.50% 03-01-2025	Chile	Foreign Governments	CLP 2,040,000,000	3,659	2,888
Government of Chile 4.50% 03-01-2026	Chile	Foreign Governments	CLP 920,000,000	1,827	1,369
Government of Chile 2.30% 10-01-2028	Chile	Foreign Governments	CLP 1,065,000,000	1,671	1,358
Government of Chile 4.70% 09-01-2030	Chile	Foreign Governments	CLP 775,000,000	1,548	1,123
Government of Chile 2.80% 10-01-2033	Chile	Foreign Governments	CLP 615,000,000	923	730
Government of Chile 5.00% 03-01-2035	Chile	Foreign Governments	CLP 965,000,000	2,068	1,396
Government of Chile 6.00% 01-01-2043	Chile	Foreign Governments	CLP 925,000,000	2,150	1,489
Government of Chile 5.10% 07-15-2050	Chile	Foreign Governments	CLP 355,000,000	744	497
Government of China 2.84% 04-08-2024	China	Foreign Governments	CNY 22,000,000	4,305	4,380
Government of China 3.02% 10-22-2025	China	Foreign Governments	CNY 30,000,000	5,883	6,012
Government of China 3.03% 03-11-2026	China	Foreign Governments	CNY 35,000,000	6,870	7,016
Government of China 2.85% 06-04-2027	China	Foreign Governments	CNY 19,000,000	3,687	3,777
Government of China 3.01% 05-13-2028	China	Foreign Governments	CNY 38,000,000	7,422	7,587
Government of China 3.27% 11-19-2030	China	Foreign Governments	CNY 50,000,000	9,980	10,161
Government of China 3.02% 05-27-2031	China	Foreign Governments	CNY 4,000,000	791	798
Government of China 4.50% 06-23-2041	China	Foreign Governments	CNY 15,000,000	3,511	3,562
Government of China 3.81% 09-14-2050	China	Foreign Governments	CNY 50,000,000	10,278	10,540
Government of China 3.72% 04-12-2051	China	Foreign Governments	CNY 4,000,000	819	833
Government of China 3.76% 03-22-2071	China	Foreign Governments	CNY 5,000,000	1,015	1,050

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2022

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
BONDS (cont'd)					
Government of Colombia 10.00% 07-24-2024	Colombia	Foreign Governments	COP 7,440,000,000	3,172	2,531
Government of Colombia 6.25% 11-26-2025	Colombia	Foreign Governments	COP 5,897,600,000	2,271	1,780
Government of Colombia 7.50% 08-26-2026	Colombia	Foreign Governments	COP 8,070,800,000	3,213	2,504
Government of Colombia 5.75% 11-03-2027	Colombia	Foreign Governments	COP 6,014,500,000	2,143	1,685
Government of Colombia 6.00% 04-28-2028	Colombia	Foreign Governments	COP 8,626,600,000	3,217	2,415
Government of Colombia 7.75% 09-18-2030	Colombia	Foreign Governments	COP 6,276,400,000	2,438	1,859
Government of Colombia 7.00% 03-26-2031	Colombia	Foreign Governments	COP 4,576,200,000	1,417	1,278
Government of Colombia 7.00% 06-30-2032	Colombia	Foreign Governments	COP 7,833,600,000	2,967	2,146
Government of Colombia 7.25% 10-18-2034	Colombia	Foreign Governments	COP 8,143,300,000	3,118	2,214
Government of Colombia 6.25% 07-09-2036	Colombia	Foreign Governments	COP 3,437,400,000	972	829
Government of Colombia 7.25% 10-26-2050	Colombia	Foreign Governments	COP 4,621,800,000	1,518	1,140
Government of Czech Republic 0.45% 10-25-2023	Czech Republic	Foreign Governments	CZK 77,270,000	4,475	4,101
Government of Czech Republic 0% 12-12-2024	Czech Republic	Foreign Governments	CZK 31,540,000	1,730	1,593
Government of Czech Republic 1.25% 02-14-2025	Czech Republic	Foreign Governments	CZK 37,860,000	2,179	1,964
Government of Czech Republic 1.00% 06-26-2026	Czech Republic	Foreign Governments	CZK 4,110,000	243	204
Government of Czech Republic 0.25% 02-10-2027	Czech Republic	Foreign Governments	CZK 111,380,000	6,155	5,254
Government of Czech Republic 0.05% 11-29-2029	Czech Republic	Foreign Governments	CZK 134,240,000	6,691	5,744
Government of Czech Republic 0.95% 05-15-2030	Czech Republic	Foreign Governments	CZK 28,800,000	1,625	1,323
Government of Czech Republic 1.20% 03-13-2031	Czech Republic	Foreign Governments	CZK 61,210,000	3,366	2,817
Government of Czech Republic 1.75% 06-23-2032	Czech Republic	Foreign Governments	CZK 6,470,000	312	311
Government of Czech Republic 2.00% 10-13-2033	Czech Republic	Foreign Governments	CZK 49,860,000	3,089	2,388
Government of Czech Republic 1.50% 04-24-2040	Czech Republic	Foreign Governments	CZK 26,930,000	1,416	1,074
Government of Hungary 1.50% 08-23-2023	Hungary	Foreign Governments	HUF 95,880,000	414	339
Government of Hungary 6.00% 11-24-2023	Hungary	Foreign Governments	HUF 292,860,000	1,467	1,097
Government of Hungary 3.00% 06-26-2024	Hungary	Foreign Governments	HUF 172,240,000	797	603
Government of Hungary 2.50% 10-24-2024	Hungary	Foreign Governments	HUF 403,740,000	1,826	1,383
Government of Hungary 5.50% 06-24-2025	Hungary	Foreign Governments	HUF 388,280,000	1,941	1,423
Government of Hungary 1.00% 11-26-2025	Hungary	Foreign Governments	HUF 397,420,000	1,648	1,241
Government of Hungary 1.50% 04-22-2026	Hungary	Foreign Governments	HUF 361,650,000	1,517	1,128
Government of Hungary 1.50% 08-26-2026	Hungary	Foreign Governments	HUF 17,760,000	73	55
Government of Hungary 2.75% 12-22-2026	Hungary	Foreign Governments	HUF 358,680,000	1,628	1,152
Government of Hungary 3.00% 10-27-2027	Hungary	Foreign Governments	HUF 418,770,000	1,862	1,332
Government of Hungary 6.75% 10-22-2028	Hungary	Foreign Governments	HUF 290,030,000	1,643	1,119
Government of Hungary 2.00% 05-23-2029	Hungary	Foreign Governments	HUF 109,190,000	472	314
Government of Hungary 3.00% 08-21-2030	Hungary	Foreign Governments	HUF 396,580,000	1,783	1,206
Government of Hungary 3.25% 10-22-2031	Hungary	Foreign Governments	HUF 522,870,000	2,370	1,585
Government of Hungary 2.25% 04-20-2033	Hungary	Foreign Governments	HUF 194,900,000	740	519
Government of Hungary 2.25% 06-22-2034	Hungary	Foreign Governments	HUF 181,600,000	609	466
Government of Hungary 3.00% 10-27-2038	Hungary	Foreign Governments	HUF 241,620,000	993	632
Government of Hungary 3.00% 04-25-2041	Hungary	Foreign Governments	HUF 125,390,000	467	317
Government of Indonesia 8.38% 03-15-2024	Indonesia	Foreign Governments	IDR 23,376,000,000	2,336	2,188
Government of Indonesia 8.13% 05-15-2024	Indonesia	Foreign Governments	IDR 5,675,000,000	550	531
Government of Indonesia 6.50% 06-15-2025	Indonesia	Foreign Governments	IDR 53,524,000,000	5,077	4,858
Government of Indonesia 5.50% 04-15-2026	Indonesia	Foreign Governments	IDR 71,647,000,000	6,418	6,260
Government of Indonesia 8.38% 09-15-2026	Indonesia	Foreign Governments	IDR 25,923,000,000	2,589	2,503
Government of Indonesia 7.00% 05-15-2027 FR59	Indonesia	Foreign Governments	IDR 7,366,000,000	687	673
Government of Indonesia 6.13% 05-15-2028 FR64	Indonesia	Foreign Governments	IDR 41,715,000,000	3,697	3,587
Government of Indonesia 8.25% 05-15-2029	Indonesia	Foreign Governments	IDR 13,917,000,000	1,348	1,321
Government of Indonesia 7.00% 09-15-2030	Indonesia	Foreign Governments	IDR 48,257,000,000	4,475	4,280
Government of Indonesia 6.50% 02-15-2031	Indonesia	Foreign Governments	IDR 67,762,000,000	6,024	5,806
Government of Indonesia 8.25% 06-15-2032	Indonesia	Foreign Governments	IDR 14,122,000,000	1,451	1,351
Government of Indonesia 7.50% 08-15-2032	Indonesia	Foreign Governments	IDR 19,296,000,000	1,771	1,750
Government of Indonesia 8.38% 03-15-2034	Indonesia	Foreign Governments	IDR 43,426,000,000	4,361	4,150
Government of Indonesia 7.50% 06-15-2035	Indonesia	Foreign Governments	IDR 15,168,000,000	1,393	1,358
Government of Indonesia 8.25% 05-15-2036	Indonesia	Foreign Governments	IDR 33,829,000,000	3,363	3,204
Government of Indonesia 7.50% 05-15-2038	Indonesia	Foreign Governments	IDR 17,044,000,000	1,522	1,520
Government of Indonesia 8.38% 04-15-2039	Indonesia	Foreign Governments	IDR 8,144,000,000	852	784
Government of Indonesia 7.50% 04-15-2040	Indonesia	Foreign Governments	IDR 36,917,000,000	3,429	3,279
Government of Indonesia 8.75% 02-15-2044	Indonesia	Foreign Governments	IDR 32,357,000,000	3,278	3,240
Government of Indonesia 7.38% 05-15-2048	Indonesia	Foreign Governments	IDR 35,666,000,000	3,248	3,135
Government of Indonesia 6.88% 08-15-2051	Indonesia	Foreign Governments	IDR 1,429,000,000	121	123
Government of Korea 1.00% 06-10-2023	South Korea	Foreign Governments	KOR 5,648,240,000	6,476	5,765
Government of Korea 0.88% 12-10-2023	South Korea	Foreign Governments	KOR 11,290,740,000	12,794	11,375
Government of Korea 1.88% 03-10-2024	South Korea	Foreign Governments	KOR 1,068,520,000	1,285	1,091

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2022

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
BONDS (cont'd)					
Government of Korea 1.38% 09-10-2024	South Korea	Foreign Governments	KOR 1,023,500,000	1,061	1,025
Government of Korea 1.50% 03-10-2025	South Korea	Foreign Governments	KOR 5,736,030,000	6,086	5,709
Government of Korea 1.13% 09-10-2025	South Korea	Foreign Governments	KOR 392,620,000	448	383
Government of Korea 1.50% 12-10-2026	South Korea	Foreign Governments	KOR 8,617,490,000	9,858	8,347
Government of Korea 1.88% 06-10-2029	South Korea	Foreign Governments	KOR 3,193,010,000	3,694	3,054
Government of Korea 1.38% 12-10-2029	South Korea	Foreign Governments	KOR 1,731,800,000	1,828	1,588
Government of Korea 1.38% 06-10-2030	South Korea	Foreign Governments	KOR 6,268,100,000	6,961	5,711
Government of Korea 1.50% 12-10-2030	South Korea	Foreign Governments	KOR 2,057,000,000	2,222	1,881
Government of Korea 1.50% 09-10-2036	South Korea	Foreign Governments	KOR 5,691,100,000	6,004	4,855
Government of Korea 1.13% 09-10-2039	South Korea	Foreign Governments	KOR 7,447,360,000	7,562	5,772
Government of Korea 1.50% 09-10-2040	South Korea	Foreign Governments	KOR 1,135,100,000	1,184	931
Government of Korea 1.50% 03-10-2050	South Korea	Foreign Governments	KOR 13,289,900,000	13,506	10,156
Government of Korea 1.88% 03-10-2051	South Korea	Foreign Governments	KOR 799,500,000	742	667
Government of Korea 2.00% 09-10-2068	South Korea	Foreign Governments	KOR 630,800,000	762	517
Government of Korea 1.63% 09-10-2070	South Korea	Foreign Governments	KOR 557,000,000	489	397
Government of Malaysia 3.48% 03-15-2023	Malaysia	Foreign Governments	MYR 2,325,000	745	700
Government of Malaysia 3.76% 04-20-2023	Malaysia	Foreign Governments	MYR 1,142,000	370	345
Government of Malaysia 3.15% 05-15-2023	Malaysia	Foreign Governments	MYR 10,162,000	3,277	3,057
Government of Malaysia 4.39% 07-07-2023	Malaysia	Foreign Governments	MYR 3,321,000	1,108	1,015
Government of Malaysia 3.80% 08-17-2023	Malaysia	Foreign Governments	MYR 1,241,000	415	377
Government of Malaysia 4.09% 11-30-2023	Malaysia	Foreign Governments	MYR 1,692,000	561	518
Government of Malaysia 4.44% 05-22-2024	Malaysia	Foreign Governments	MYR 3,699,000	1,210	1,135
Government of Malaysia 4.18% 07-15-2024	Malaysia	Foreign Governments	MYR 18,835,000	6,342	5,755
Government of Malaysia 4.06% 09-30-2024	Malaysia	Foreign Governments	MYR 310,000	100	95
Government of Malaysia 3.66% 10-15-2024	Malaysia	Foreign Governments	MYR 4,470,000	1,371	1,352
Government of Malaysia 4.13% 08-15-2025	Malaysia	Foreign Governments	MYR 5,101,000	1,702	1,566
Government of Malaysia 3.955% 09-15-2025	Malaysia	Foreign Governments	MYR 3,366,000	1,160	1,024
Government of Malaysia 3.99% 10-15-2025	Malaysia	Foreign Governments	MYR 6,082,000	2,049	1,860
Government of Malaysia 3.73% 03-31-2026	Malaysia	Foreign Governments	MYR 3,088,000	1,019	925
Government of Malaysia 4.39% 04-15-2026	Malaysia	Foreign Governments	MYR 8,634,000	2,952	2,663
Government of Malaysia 3.91% 07-15-2026	Malaysia	Foreign Governments	MYR 4,955,000	1,681	1,498
Government of Malaysia 3.90% 11-30-2026	Malaysia	Foreign Governments	MYR 5,633,000	1,917	1,709
Government of Malaysia 4.26% 07-26-2027	Malaysia	Foreign Governments	MYR 2,556,000	858	785
Government of Malaysia 3.42% 09-30-2027	Malaysia	Foreign Governments	MYR 14,415,000	4,659	4,274
Government of Malaysia 3.90% 11-16-2027 Series 0417	Malaysia	Foreign Governments	MYR 5,867,000	1,943	1,774
Government of Malaysia 3.73% 06-15-2028	Malaysia	Foreign Governments	MYR 7,352,000	2,445	2,180
Government of Malaysia 4.37% 10-31-2028	Malaysia	Foreign Governments	MYR 4,856,000	1,649	1,491
Government of Malaysia 4.94% 12-06-2028	Malaysia	Foreign Governments	MYR 1,624,000	575	514
Government of Malaysia 4.13% 07-09-2029	Malaysia	Foreign Governments	MYR 1,815,000	643	547
Government of Malaysia 3.89% 08-15-2029	Malaysia	Foreign Governments	MYR 664,000	215	196
Government of Malaysia 4.50% 04-15-2030	Malaysia	Foreign Governments	MYR 4,960,000	1,722	1,531
Government of Malaysia 3.47% 10-15-2030	Malaysia	Foreign Governments	MYR 15,665,000	5,023	4,485
Government of Malaysia 4.23% 06-30-2031	Malaysia	Foreign Governments	MYR 8,700,000	2,933	2,626
Government of Malaysia 3.84% 04-15-2033	Malaysia	Foreign Governments	MYR 9,946,000	3,216	2,875
Government of Malaysia 4.72% 06-15-2033	Malaysia	Foreign Governments	MYR 3,369,000	1,252	1,057
Government of Malaysia 4.64% 11-07-2033	Malaysia	Foreign Governments	MYR 6,776,000	2,457	2,096
Government of Malaysia 3.83% 07-05-2034	Malaysia	Foreign Governments	MYR 3,880,000	1,173	1,107
Government of Malaysia 4.12% 11-30-2034	Malaysia	Foreign Governments	MYR 5,007,000	1,648	1,464
Government of Malaysia 4.25% 05-31-2035	Malaysia	Foreign Governments	MYR 1,357,000	482	402
Government of Malaysia 4.76% 04-07-2037	Malaysia	Foreign Governments	MYR 5,349,000	2,037	1,674
Government of Malaysia 4.89% 06-08-2038	Malaysia	Foreign Governments	MYR 5,066,000	1,777	1,582
Government of Malaysia 4.47% 09-15-2039	Malaysia	Foreign Governments	MYR 6,715,000	2,298	1,998
Government of Malaysia 3.76% 05-22-2040	Malaysia	Foreign Governments	MYR 9,983,000	3,019	2,703
Government of Malaysia 4.42% 09-30-2041	Malaysia	Foreign Governments	MYR 856,000	265	254
Government of Malaysia 4.94% 09-30-2043	Malaysia	Foreign Governments	MYR 3,165,000	1,160	990
Government of Malaysia 4.74% 03-15-2046	Malaysia	Foreign Governments	MYR 1,774,000	631	539
Government of Malaysia 4.92% 07-06-2048	Malaysia	Foreign Governments	MYR 6,474,000	2,329	2,028
Government of Malaysia 4.64% 11-15-2049	Malaysia	Foreign Governments	MYR 8,429,000	2,688	2,501
Government of Malaysia 4.07% 06-15-2050	Malaysia	Foreign Governments	MYR 2,758,000	848	757
Government of Mexico 8.00% 09-05-2024	Mexico	Foreign Governments	MXN 65,180,000	4,417	4,057
Government of Mexico 10.00% 12-05-2024	Mexico	Foreign Governments	MXN 59,350,000	4,417	3,866
Government of Mexico 5.00% 03-06-2025	Mexico	Foreign Governments	MXN 10,210,000	584	585
Government of Mexico 5.75% 03-05-2026	Mexico	Foreign Governments	MXN 36,700,000	2,325	2,100
Government of Mexico 5.50% 03-04-2027	Mexico	Foreign Governments	MXN 10,730,000	589	595

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2022

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
BONDS (cont'd)					
Government of Mexico 7.50% 06-03-2027	Mexico	Foreign Governments	MXN 108,540,000	7,186	6,553
Government of Mexico 8.50% 05-31-2029	Mexico	Foreign Governments	MXN 76,210,000	5,336	4,826
Government of Mexico 7.75% 05-29-2031	Mexico	Foreign Governments	MXN 75,870,000	5,285	4,598
Government of Mexico 7.75% 11-23-2034	Mexico	Foreign Governments	MXN 34,990,000	2,404	2,104
Government of Mexico 10.00% 11-20-2036	Mexico	Foreign Governments	MXN 26,570,000	2,204	1,910
Government of Mexico 8.50% 11-18-2038	Mexico	Foreign Governments	MXN 63,000,000	4,697	4,025
Government of Mexico 8.00% 11-07-2047	Mexico	Foreign Governments	MXN 66,320,000	4,614	3,978
Government of Peru 5.70% 08-12-2024	Peru	Foreign Governments	PEN 1,981,000	803	681
Government of Peru 8.20% 08-12-2026	Peru	Foreign Governments	PEN 1,699,000	811	624
Government of Peru 6.35% 08-12-2028	Peru	Foreign Governments	PEN 4,665,000	1,977	1,583
Government of Peru 5.94% 02-12-2029	Peru	Foreign Governments	PEN 4,988,000	2,093	1,645
Government of Peru 6.95% 08-12-2031	Peru	Foreign Governments	PEN 4,617,000	2,022	1,611
Government of Peru 6.15% 08-12-2032	Peru	Foreign Governments	PEN 4,151,000	1,667	1,361
Government of Peru 5.40% 08-12-2034	Peru	Foreign Governments	PEN 3,475,000	1,296	1,037
Government of Peru 6.90% 08-12-2037	Peru	Foreign Governments	PEN 4,456,000	1,944	1,497
Government of Peru 5.35% 08-12-2040	Peru	Foreign Governments	PEN 2,146,000	757	602
Government of Peru 6.85% 02-12-2042	Peru	Foreign Governments	PEN 1,450,000	595	482
Government of Philippines 3.63% 04-22-2028	Philippines	Foreign Governments	PHP 91,000,000	2,277	1,978
Government of Romania 5.85% 04-26-2023	Romania	Foreign Governments	RON 4,760,000	1,598	1,347
Government of Romania 4.40% 09-25-2023	Romania	Foreign Governments	RON 3,290,000	1,066	913
Government of Romania 4.00% 10-25-2023	Romania	Foreign Governments	RON 3,670,000	1,208	1,011
Government of Romania 3.25% 04-29-2024	Romania	Foreign Governments	RON 4,700,000	1,525	1,257
Government of Romania 4.50% 06-17-2024	Romania	Foreign Governments	RON 4,450,000	1,474	1,217
Government of Romania 3.70% 11-25-2024	Romania	Foreign Governments	RON 875,000	251	234
Government of Romania 4.75% 02-24-2025	Romania	Foreign Governments	RON 3,345,000	1,093	913
Government of Romania 3.65% 07-28-2025	Romania	Foreign Governments	RON 4,000,000	1,311	1,053
Government of Romania 4.85% 04-22-2026	Romania	Foreign Governments	RON 4,200,000	1,395	1,135
Government of Romania 3.25% 06-24-2026	Romania	Foreign Governments	RON 2,490,000	752	631
Government of Romania 5.80% 07-26-2027	Romania	Foreign Governments	RON 3,880,000	1,285	1,080
Government of Romania 2.50% 10-25-2027	Romania	Foreign Governments	RON 240,000	61	56
Government of Romania 4.15% 01-26-2028	Romania	Foreign Governments	RON 3,655,000	1,222	934
Government of Romania 5.00% 02-12-2029	Romania	Foreign Governments	RON 4,015,000	1,339	1,059
Government of Romania 4.15% 10-24-2030	Romania	Foreign Governments	RON 2,450,000	714	603
Government of Romania 3.65% 09-24-2031	Romania	Foreign Governments	RON 4,010,000	1,231	931
Government of Romania 4.75% 10-11-2034	Romania	Foreign Governments	RON 1,935,000	601	476
Government of South Africa 10.50% 12-21-2026	South Africa	Foreign Governments	ZAR 108,993,000	10,634	10,171
Government of South Africa 8.00% 01-31-2030	South Africa	Foreign Governments	ZAR 94,501,000	7,464	7,387
Government of South Africa 7.00% 02-28-2031	South Africa	Foreign Governments	ZAR 45,230,000	3,206	3,229
Government of South Africa 8.25% 03-31-2032	South Africa	Foreign Governments	ZAR 73,609,000	5,699	5,626
Government of South Africa 8.88% 02-28-2035	South Africa	Foreign Governments	ZAR 57,884,000	4,386	4,452
Government of South Africa 6.25% 03-31-2036	South Africa	Foreign Governments	ZAR 30,792,000	1,758	1,855
Government of South Africa 8.50% 01-31-2037	South Africa	Foreign Governments	ZAR 66,672,000	5,021	4,868
Government of South Africa 9.00% 01-31-2040	South Africa	Foreign Governments	ZAR 48,457,000	3,651	3,625
Government of South Africa 6.50% 02-28-2041	South Africa	Foreign Governments	ZAR 21,843,000	1,159	1,252
Government of South Africa 8.75% 01-31-2044	South Africa	Foreign Governments	ZAR 69,223,000	4,818	4,993
Government of South Africa 8.75% 02-28-2048	South Africa	Foreign Governments	ZAR 96,659,000	6,906	6,956
Government of Thailand 0.75% 06-17-2024	Thailand	Foreign Governments	THB 85,339,000	3,320	3,186
Government of Thailand 1.45% 12-17-2024	Thailand	Foreign Governments	THB 93,664,000	4,019	3,550
Government of Thailand 3.85% 12-12-2025	Thailand	Foreign Governments	THB 129,953,000	6,291	5,317
Government of Thailand 2.13% 12-17-2026	Thailand	Foreign Governments	THB 51,662,000	2,223	1,986
Government of Thailand 1.00% 06-17-2027	Thailand	Foreign Governments	THB 47,729,000	1,775	1,739
Government of Thailand 3.58% 12-17-2027	Thailand	Foreign Governments	THB 31,874,000	1,596	1,313
Government of Thailand 2.88% 12-17-2028	Thailand	Foreign Governments	THB 64,312,000	2,982	2,526
Government of Thailand 4.88% 06-22-2029	Thailand	Foreign Governments	THB 65,459,000	3,547	2,887
Government of Thailand 1.60% 12-17-2029	Thailand	Foreign Governments	THB 60,564,000	2,577	2,170
Government of Thailand 3.65% 06-20-2031	Thailand	Foreign Governments	THB 46,391,000	2,376	1,938
Government of Thailand 3.78% 06-25-2032	Thailand	Foreign Governments	THB 100,589,000	4,917	4,220
Government of Thailand 1.60% 06-17-2035	Thailand	Foreign Governments	THB 696,000	29	22
Government of Thailand 3.40% 06-17-2036	Thailand	Foreign Governments	THB 130,671,000	6,727	5,104
Government of Thailand 4.26% 12-12-2037	Thailand	Foreign Governments	THB 7,820,000	459	342
Government of Thailand 3.30% 06-17-2038	Thailand	Foreign Governments	THB 148,649,000	7,344	5,638
Government of Thailand 3.80% 06-14-2041	Thailand	Foreign Governments	THB 2,591,000	142	103
Government of Thailand 2.00% 06-17-2042	Thailand	Foreign Governments	THB 22,837,000	779	677
Government of Thailand 4.68% 06-29-2044	Thailand	Foreign Governments	THB 35,994,000	2,319	1,596

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2022

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
BONDS (cont'd)					
Government of Thailand 2.88% 06-17-2046	Thailand	Foreign Governments	THB 42,482,000	1,998	1,424
Government of Thailand 1.88% 06-17-2049	Thailand	Foreign Governments	THB 25,152,000	899	664
Government of Thailand 4.00% 06-17-2066	Thailand	Foreign Governments	THB 816,000	53	34
Government of Thailand 3.60% 06-17-2067	Thailand	Foreign Governments	THB 113,827,000	6,247	4,335
Government of the Philippines 3.90% 11-26-2022	Philippines	Foreign Governments	PHP 40,000,000	1,113	965
Government of the Philippines 2.63% 08-12-2025	Philippines	Foreign Governments	PHP 118,135,000	3,116	2,718
Government of the Philippines 3.50% 09-20-2026	Philippines	Foreign Governments	PHP 9,060,000	256	207
Government of the Philippines 4.75% 05-04-2027	Philippines	Foreign Governments	PHP 70,590,000	2,004	1,670
Government of the Philippines 6.25% 03-22-2028	Philippines	Foreign Governments	PHP 18,070,000	578	462
Government of the Philippines 6.88% 01-10-2029	Philippines	Foreign Governments	PHP 39,420,000	1,238	1,040
Government of the Philippines 2.88% 07-09-2030	Philippines	Foreign Governments	PHP 182,625,000	4,349	3,638
Government of the Philippines 8.00% 07-19-2031	Philippines	Foreign Governments	PHP 1,480,000	50	41
Government of the Philippines 3.63% 03-21-2033	Philippines	Foreign Governments	PHP 15,000,000	410	297
Government of the Philippines 6.25% 01-14-2036	Philippines	Foreign Governments	PHP 249,000,000	8,380	6,609
Government of the Philippines 6.13% 10-24-2037	Philippines	Foreign Governments	PHP 26,625,000	790	659
Government of Turkey 8.80% 09-27-2023	Turkey	Foreign Governments	TRL 2,015,000	371	141
Government of Turkey 10.40% 03-20-2024	Turkey	Foreign Governments	TRL 514,000	109	35
Government of Turkey 9.00% 07-24-2024	Turkey	Foreign Governments	TRL 2,707,000	495	171
Government of Turkey 8.00% 03-12-2025	Turkey	Foreign Governments	TRL 8,486,000	1,255	490
Government of Turkey 12.60% 10-01-2025	Turkey	Foreign Governments	TRL 5,657,000	853	357
Government of Turkey 10.60% 02-11-2026	Turkey	Foreign Governments	TRL 10,523,000	1,498	602
Government of Turkey 16.90% 09-02-2026	Turkey	Foreign Governments	TRL 5,427,000	596	368
Government of Turkey 11.00% 02-24-2027	Turkey	Foreign Governments	TRL 4,734,000	856	252
Government of Turkey 10.50% 08-11-2027	Turkey	Foreign Governments	TRL 5,525,000	892	282
Government of Turkey 12.40% 03-08-2028	Turkey	Foreign Governments	TRL 3,127,000	540	168
Government of Turkey 11.70% 11-13-2030	Turkey	Foreign Governments	TRL 10,928,000	1,552	521
The Hong Kong Mortgage Corp. Ltd. 2.70% 02-09-2024	Hong Kong	Foreign Governments	CNY 19,000,000	3,666	3,724
Indonesia Treasury Bond 9.00% 03-15-2029	Indonesia	Foreign Governments	IDR 1,354,000,000	146	133
Indonesia Treasury Bond 8.75% 05-15-2031	Indonesia	Foreign Governments	IDR 35,000,000,000	3,558	3,453
Inter-American Development Bank 7.88% 03-14-2023	Supra - National	n/a	IDR 14,850,000,000	1,400	1,338
Inter-American Development Bank 3.50% 08-23-2026	Supra - National	n/a	PEN 400,000	124	124
Inter-American Development Bank 5.10% 11-17-2026	Supra - National	n/a	IDR 20,000,000,000	1,733	1,717
International Bank for Reconstruction and Development 7.00% 01-24-2023	Supra - National	n/a	MXN 54,400,000	3,496	3,378
International Bank for Reconstruction and Development 2.00% 07-23-2025	Supra - National	n/a	PHP 72,500,000	1,914	1,582
International Finance Corp. 10.00% 01-25-2023	Supra - National	n/a	TRL 2,000,000	317	147
International Finance Corp. 7.00% 07-20-2027	Supra - National	n/a	MXN 21,000,000	1,385	1,247
International Finance Corp. 7.02% 04-06-2028	Supra - National	n/a	MXN 1,500,000	104	87
Kreditanstalt fuer Wiederaufbau 7.50% 12-07-2023	Germany	Corporate - Non Convertible	MXN 10,000,000	641	615
Kreditanstalt fuer Wiederaufbau 2.70% 03-25-2024	Germany	Corporate - Non Convertible	CNY 5,000,000	972	981
Mexican Bonos 8.00% 12-07-2023	Mexico	Foreign Governments	MXN 2,000,000	132	125
Mexican Bonos 7.75% 11-13-2042	Mexico	Foreign Governments	MXN 56,940,000	3,817	3,339
Total bonds				734,572	654,983
Transaction costs				(111)	-
Total investments				734,461	654,983
Derivative instruments (see schedule of derivative instruments)					(517)
Cash and cash equivalents					10,984
Other assets less liabilities					7,846
Net assets attributable to unitholders					673,296

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

SUMMARY OF INVESTMENT PORTFOLIO

MARCH 31, 2022

PORTFOLIO ALLOCATION	% OF NAV
Bonds	97.3
Cash and short-term investments	1.6
Other assets (liabilities)	1.1

REGIONAL ALLOCATION	% OF NAV
Brazil	11.7
South Korea	11.2
Malaysia	10.4
China	9.1
Indonesia	8.8
South Africa	8.1
Thailand	7.5
Other	6.7
Mexico	6.3
Philippines	4.2
Czech Republic	4.0
Colombia	3.0
Hungary	2.4
Romania	2.2
Chile	1.7
Cash and short-term investments	1.6
Other assets (liabilities)	1.1

SECTOR ALLOCATION	% OF NAV
Foreign government bonds	91.4
Corporate bonds	5.7
Cash and short-term investments	1.6
Other assets (liabilities)	1.1
Federal bonds	0.2

MARCH 31, 2021

PORTFOLIO ALLOCATION	% OF NAV
Bonds	98.1
Other assets (liabilities)	1.2
Cash and short-term investments	0.7

REGIONAL ALLOCATION	% OF NAV
South Korea	10.1
Malaysia	9.9
Thailand	9.8
Brazil	9.5
Other	9.0
Indonesia	8.7
South Africa	8.1
Mexico	7.1
Russia	6.1
Czech Republic	4.4
Colombia	4.0
Hungary	3.3
Philippines	3.2
Romania	2.7
Chile	2.2
Other assets (liabilities)	1.2
Cash and short-term investments	0.7

SECTOR ALLOCATION	% OF NAV
Foreign government bonds	92.4
Corporate bonds	5.4
Other assets (liabilities)	1.2
Cash and short-term investments	0.7
Federal bonds	0.3

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

SCHEDULE OF DERIVATIVE INSTRUMENTS

as at March 31, 2022

Schedule of Forward Currency Contracts

Counterparty Credit Rating	Currency to be Received (\$ 000)	Currency to be Delivered (\$ 000)	Settlement Date	Contract Cost (\$ 000)	Current Fair Value (\$ 000)	Unrealized Gains (\$ 000)	Unrealized Losses (\$ 000)
A	100,000 RUB	(1,190) USD	Apr. 1, 2022	1,488	1,537	49	–
A	913 USD	(100,000) RUB	Apr. 1, 2022	(1,142)	(1,539)	–	(397)
AA	244,060 CLP	(306) USD	Apr. 5, 2022	382	388	6	–
AA	71,200 COP	(18) USD	Apr. 5, 2022	23	24	1	–
AA	210 HUF	(1) USD	Apr. 5, 2022	1	1	–	–
AA	3,534 MXN	(172) USD	Apr. 5, 2022	215	222	7	–
AA	139 PEN	(37) USD	Apr. 5, 2022	46	47	1	–
AA	5,875 PHP	(114) USD	Apr. 5, 2022	143	142	–	(1)
AA	4 RON	(1) USD	Apr. 5, 2022	1	1	–	–
AA	111,265 THB	(3,404) USD	Apr. 5, 2022	4,256	4,183	–	(73)
AA	37 USD	(822) CZK	Apr. 5, 2022	(46)	(47)	–	(1)
AA	1 USD	(1,800) KOR	Apr. 5, 2022	(2)	(2)	–	–
AA	2,921 ZAR	(188) USD	Apr. 5, 2022	235	249	14	–
AA	288 BRL	(56) USD	Apr. 6, 2022	70	75	5	–
AA	47,980 CLP	(60) USD	Apr. 6, 2022	75	76	1	–
AA	334 CNY	(53) USD	Apr. 6, 2022	66	66	–	–
AA	131,500 COP	(34) USD	Apr. 6, 2022	43	44	1	–
AA	2,343 CZK	(104) USD	Apr. 6, 2022	130	133	3	–
AA	14,720 HUF	(44) USD	Apr. 6, 2022	54	55	1	–
AA	2,358,000 IDR	(165) USD	Apr. 6, 2022	207	205	–	(2)
AA	209,500 KOR	(173) USD	Apr. 6, 2022	216	216	–	–
AA	273 PEN	(73) USD	Apr. 6, 2022	91	93	2	–
AA	211 RON	(47) USD	Apr. 6, 2022	58	59	1	–
AA	8 USD	(174) MXN	Apr. 6, 2022	(10)	(11)	–	(1)
AA	166 USD	(2,500) ZAR	Apr. 6, 2022	(208)	(214)	–	(6)
AA	111 USD	(413) PEN	Apr. 6, 2022	(138)	(140)	–	(2)
AA	53 USD	(203,400) COP	Apr. 6, 2022	(66)	(67)	–	(1)
AA	65 USD	(3,407) PHP	Apr. 6, 2022	(81)	(82)	–	(1)
AA	169 USD	(207,900) KOR	Apr. 6, 2022	(212)	(214)	–	(2)
AA	15 USD	(78) BRL	Apr. 6, 2022	(19)	(21)	–	(2)
AA	435 USD	(6,243,000) IDR	Apr. 6, 2022	(544)	(543)	1	–
AA	335 USD	(17,530) PHP	Apr. 6, 2022	(419)	(423)	–	(4)
AA	83 USD	(66,530) CLP	Apr. 6, 2022	(104)	(106)	–	(2)
AA	276 USD	(5,688) MXN	Apr. 6, 2022	(345)	(357)	–	(12)
AA	65 USD	(1,454) CZK	Apr. 6, 2022	(82)	(82)	–	–
AA	48 USD	(216) RON	Apr. 6, 2022	(60)	(60)	–	–
AA	44 USD	(14,790) HUF	Apr. 6, 2022	(55)	(56)	–	(1)
AA	30 USD	(445) ZAR	Apr. 6, 2022	(37)	(38)	–	(1)
AA	382 USD	(2,435) CNY	Apr. 6, 2022	(478)	(479)	–	(1)
AA	129,256 THB	(3,891) USD	Apr. 7, 2022	4,864	4,860	–	(4)
AA	34 USD	(1,126) THB	Apr. 7, 2022	(42)	(42)	–	–
A	1,111 USD	(100,000) RUB	May 4, 2022	(1,389)	(1,485)	–	(96)
Total forward currency contracts						93	(610)
Total Derivative assets							93
Total Derivative liabilities							(610)

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

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, 2022 and 2021, 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 11 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/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. Canada Life Investment Management Ltd. (“CLIML”) is wholly owned by The Canada Life Assurance Company (“Canada Life”), 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 June 3, 2022.

3. Significant Accounting Policies

(a) Financial instruments

Financial instruments include financial assets and liabilities such as debt and equity securities, exchange-traded 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 cost of investments is determined on a weighted average cost basis.

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.

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

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.

(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.

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(b) Fair value measurement (cont'd)

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 change in unrealized gains or losses that are best determined at the settlement price. 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 paid for purchasing an option are recorded in the Statement of Financial Position – Investments at fair value.

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, 2022.

The ETF categorizes the fair value of its assets and liabilities into three categories, which are differentiated based on the observable nature of the inputs and extent of estimation required.

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. Examples of Level 2 valuations include quoted prices for similar securities, quoted prices on inactive markets and from recognized investment dealers, and the application of factors derived from observable data to non-North American quoted prices in order to estimate the impact of differences in market closing times.

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. Short-term investments classified as Level 2 investments are valued based on amortized cost plus accrued interest which closely approximates fair value.

The estimated fair values for these securities may be different from the values that would have been used had a ready market for the investment existed; 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.

See Note 11 for the fair value classifications of the ETF.

(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. Unrealized gains or losses on investments, 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, on the ex-dividend or distribution date.

(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, exchanges, brokers, dealers and other intermediaries. The total brokerage commissions incurred by the ETF in connection with portfolio transactions for the periods, together with other transaction charges, is disclosed in the Statements of Comprehensive Income. Brokerage business is allocated to brokers based on the best net result for the ETF. Subject to this criteria, 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 11. The value of certain proprietary services provided by brokers cannot be reasonably estimated.

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(d) Commissions and other portfolio transaction costs (cont'd)

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. 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 included in the Statement of Comprehensive Income and recognized when earned. Securities lending transactions are administered by The Bank of New York Mellon (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.

Note 11 summarizes the details of securities loaned and collateral received as at the end of period, as well as a reconciliation of securities lending income during the period, if applicable. Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments, and financial institutions.

(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 11 summarizes the details of such offsetting, if applicable, subject to master netting arrangements or other similar agreements and the net impact to the Statements of Financial Position if all such rights were exercised.

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) 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 and is disclosed in Note 11.

(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.

(k) Future accounting changes

The ETF has determined there are no material implications to the ETF's financial statements arising from IFRS issued but not yet effective.

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.

Ongoing uncertainty regarding the duration and long-term impact of the COVID-19 pandemic and the effectiveness of vaccines against new variants of the virus contributes to uncertainty regarding the timing of a full economic recovery. As a result, it is not possible to reliably estimate the impact of the pandemic on the financial results and condition of the ETF in future periods.

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

NOTES TO FINANCIAL STATEMENTS

4. Critical Accounting Estimates and Judgments (cont'd)

The following discusses the most significant accounting judgments and estimates made in preparing the financial statements:

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. The ETF maintains a December year-end for tax purposes. The ETF may be subject to withholding taxes on foreign income. In general, the ETF treats withholding tax as a charge against income for tax purposes. The ETF will distribute sufficient amounts from net income for tax purposes, as required, so that the ETF will not pay income taxes other than refundable tax on capital gains, 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 11 for the ETF's loss carryforwards.

6. Management Fees and Operating Expenses

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

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

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 11 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.

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

NOTES TO FINANCIAL STATEMENTS

7. Units and Unit Transactions (cont'd)

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, 2022 and 2021 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 11.

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, 2022, grouped by asset type, with geographic and sector information.

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

ii. Liquidity risk

Liquidity risk arises when the ETF encounters difficulty in meeting its financial obligations as they become 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 85% 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 is the risk that financial instruments which are denominated or exchanged in a currency other than the Canadian dollar, which is the ETF's functional currency, will fluctuate due to changes in exchange rates. Generally, foreign denominated investments increase in value when the value of the Canadian dollar (relative to foreign currencies) falls. Conversely, when the value of the Canadian dollar rises relative to foreign currencies, the values of foreign denominated investments fall.

Note 11 indicates the foreign currencies, if applicable, to which the ETF had significant exposure, including both monetary and non-monetary financial instruments, and illustrates the potential impact, in Canadian dollar terms, to the ETF's net assets had the Canadian dollar strengthened or weakened by 5% relative to all foreign currencies, all other variables held constant. In practice, the actual trading results may differ and the difference could be material.

The ETF's sensitivity to currency risk illustrated in Note 11 includes potential indirect impacts from underlying ETFs in which the ETF invests, and/or derivative contracts including forward currency contracts. Other financial assets and liabilities (including dividends and interest receivable, and receivables/payables for investments sold/purchased) that are denominated in foreign currencies do not expose the ETF to significant currency risk.

iv. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The ETF is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Generally, these securities increase in value when interest rates fall and decrease in value when interest rates rise.

If significant, Note 11 summarizes the ETF's interest-bearing financial instruments by remaining term to maturity and illustrates the potential impact to the ETF's net assets had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, all other variables held constant. The ETF's sensitivity to interest rate changes was estimated using weighted average duration. In practice, the actual trading results may differ and the difference could be material.

The ETF's sensitivity to interest rate risk illustrated in Note 11 includes potential indirect impacts from underlying ETFs in which the ETF invests, and/or derivative contracts. Cash and cash equivalents and other money market instruments are short term in nature and are not generally subject to significant amounts of interest rate risk.

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

NOTES TO FINANCIAL STATEMENTS

9. Financial Instruments Risk (cont'd)

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, theoretically 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.

Other price risk typically arises from exposure to equity and commodity securities. If significant, Note 11 illustrates the potential increase or decrease in the ETF's net assets, had the prices on the respective exchanges for these securities increased or decreased by 10%, all other variables held constant. In practice, the actual trading results may differ and the difference could be material.

The ETF's sensitivity to other price risk illustrated in Note 11 includes potential indirect impacts from underlying ETFs in which the ETF invests, and/or derivative contracts.

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 11 summarizes the ETF's exposure, if applicable and significant, to credit risk.

If presented, credit ratings and rating categories are based on ratings issued by a designated rating organization. Indirect exposure to credit risk may arise from fixed-income securities, such as bonds, held by underlying ETFs, if any. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

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 11 summarizes the ETF's exposure, if applicable and significant, to these risks from underlying ETF.

10. Other Information

Abbreviations

Foreign currencies, if any, are presented in these financial statements using the following abbreviated currency codes:

Currency Code	Description	Currency Code	Description	Currency Code	Description
AUD	Australian dollars	HKD	Hong Kong dollars	PKR	Pakistani rupee
AED	United Arab Emirates Dirham	HUF	Hungarian forint	PLN	Polish zloty
BRL	Brazilian real	IDR	Indonesian rupiah	QAR	Qatar Rial
CAD	Canadian dollars	ILS	Israeli shekel	RON	Romanian leu
CHF	Swiss franc	INR	Indian rupee	RUB	Russian ruble
CKZ	Czech koruna	JPY	Japanese yen	SAR	Saudi riyal
CLP	Chilean peso	KOR	South Korean won	SEK	Swedish krona
CNY	Chinese yuan	MXN	Mexican peso	SGD	Singapore dollars
COP	Colombian peso	MYR	Malaysian ringgit	THB	Thailand baht
CZK	Czech koruna	NGN	Nigerian naira	TRL	Turkish lira
DKK	Danish krone	NOK	Norwegian krona	USD	United States dollars
EGP	Egyptian pound	NTD	New Taiwan dollar	VND	Vietnamese dong
EUR	Euro	NZD	New Zealand dollars	ZAR	South African rand
GBP	United Kingdom pounds	PEN	Peruvian nuevo sol	ZMW	Zambian kwacha
GHS	Ghana Cedi	PHP	Philippine peso		

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

NOTES TO FINANCIAL STATEMENTS

11. ETF Specific Information (in '000, 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 Statements of Changes in Financial Position.

CAD Units (renamed from Series E units on August 25, 2020) were listed on the TSX under the symbol QEBL on October 24, 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, 2022 was \$79.54 (2021 – \$88.94).

The management fee rate for CAD Units is 0.45%.

As at March 31, 2022, the ETF's NAV per unit was \$79.21 (2021 – \$89.11) and its Net Assets per unit calculated in accordance with IFRS was \$79.21 (2021 – \$89.11).

(b) Tax Loss Carryforwards

Total Capital Loss \$	Total Non-Capital Loss \$	Expiration Date of Non-Capital Losses													
		2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
19,019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(c) Securities Lending

As at March 31, 2022 and 2021, the ETF did not have any open securities lending, repurchase or reverse repurchase transactions.

(d) Commissions

	(\$)
March 31, 2022	-
March 31, 2021	-

(e) 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 Local Currency Government Bond Select NTR Index, or any successor thereto. It invests primarily in local currency denominated, emerging market government bonds.

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

NOTES TO FINANCIAL STATEMENTS

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

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

ii. Currency risk

The tables below summarize the ETF's exposure to currency risk.

Currency	March 31, 2022				Impact on net assets			
	Investments	Cash and Short-Term Investments	Derivative Instruments	Net Exposure*	Strengthened by 5%		Weakened by 5%	
	(\$)	(\$)	(\$)	(\$)	(\$)	%	(\$)	%
BRL	78,144	–	54	78,198				
CNY	70,888	42	(413)	70,517				
MYR	70,024	121	–	70,145				
KOR	69,224	–	–	69,224				
IDR	68,993	–	(338)	68,655				
THB	50,771	–	9,001	59,772				
MXN	57,340	–	(146)	57,194				
ZAR	54,414	339	(3)	54,750				
PHP	28,439	–	(363)	28,076				
CZK	26,773	–	4	26,777				
COP	20,381	106	1	20,488				
HUF	15,911	–	–	15,911				
RON	14,850	–	–	14,850				
PEN	11,925	–	–	11,925				
CLP	11,481	–	358	11,839				
TRL	5,425	(324)	–	5,101				
RUB	–	(2)	(1,487)	(1,489)				
USD	–	1	(6,668)	(6,667)				
Total	654,983	283	–	655,266				
% of Net Assets	97.3	–	–	97.3				
Total currency rate sensitivity					(32,763)	(4.9)	32,763	4.9

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

NOTES TO FINANCIAL STATEMENTS

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

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

ii. Currency risk (cont'd)

Currency	March 31, 2021				Impact on net assets			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)	Strengthened by 5%		Weakened by 5%	
					(\$)	%	(\$)	%
IDR	73,802	1,024	332	75,158				
MYR	74,525	284	–	74,809				
THB	73,991	29	42	74,062				
MXN	74,049	–	(5)	74,044				
KOR	74,861	217	(2,681)	72,397				
BRL	71,639	–	(2,238)	69,401				
ZAR	62,418	331	356	63,105				
RUB	45,874	145	49	46,068				
CZK	33,183	21	1,355	34,559				
PHP	31,145	18	–	31,163				
COP	29,783	2	43	29,828				
HUF	24,747	–	190	24,937				
RON	20,240	–	–	20,240				
CLP	16,930	(207)	17	16,740				
PEN	16,348	–	25	16,373				
TRL	14,266	1,593	(1)	15,858				
USD	–	(1,164)	2,516	1,352				
Total	737,801	2,293	–	740,094				
% of Net Assets	98.0	0.3	–	98.3				
Total currency rate sensitivity					(37,005)	(4.9)	37,005	4.9

* Includes both monetary and non-monetary financial instruments

iii. Interest rate risk

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

March 31, 2022	Bonds (\$)	Derivative Instruments (\$)	Impact on net assets			
			Increase by 1%		Decrease by 1%	
			(\$)	(%)	(\$)	(%)
Less than 1 year	11,567	–				
1-5 years	278,522	–				
5-10 years	174,472	–				
Greater than 10 years	190,422	–				
Total	654,983	–				
Total sensitivity to interest rate changes			(39,611)	(5.9)	39,611	5.9

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

NOTES TO FINANCIAL STATEMENTS

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

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

iii. Interest rate risk (cont'd)

March 31, 2021	Bonds (\$)	Derivative Instruments (\$)	Impact on net assets			
			Increase by 1%		Decrease by 1%	
			(\$)	(%)	(\$)	(%)
Less than 1 year	2,356	–				
1-5 years	297,622	–				
5-10 years	221,977	–				
Greater than 10 years	216,430	–				
Total	738,385	–				
Total sensitivity to interest rate changes			(44,472)	(5.9)	44,472	5.9

iv. Other price risk

As at March 31, 2022 and 2021, the ETF did not have a significant exposure to price risk.

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, 2022, was 10.4% (2021 – 9.9%) of the net assets of the ETF.

As at March 31, 2022 and 2021, debt securities by credit rating are as follows:

Bond Rating*	March 31, 2022	March 31, 2021
	% of Net Assets	% of Net Assets
AAA	3.1	3.4
AA	14.9	14.7
A	28.1	24.0
BBB	27.4	34.7
Less than BBB	20.2	19.1
Unrated	3.6	2.2
Total	97.3	98.1

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

(f) Fair Value Classification

The table below summarizes the fair value of the ETF's financial instruments using the fair value hierarchy described in note 3.

	March 31, 2022				March 31, 2021			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	654,983	–	654,983	–	738,385	–	738,385
Derivative assets	–	93	–	93	–	177	–	177
Derivative liabilities	–	(610)	–	(610)	–	(214)	–	(214)
Total	–	654,466	–	654,466	–	738,348	–	738,348

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.

(g) Investments by the Manager and Affiliates

The investments held by the Manager, other funds managed by the Manager, and funds managed by affiliates of the Manager were as follows:

	March 31, 2022	March 31, 2021
	(\$)	(\$)
The Manager	–	–
Other funds managed by the Manager	315,134	336,174
Funds managed by affiliates of the Manager	355,096	299,780

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

NOTES TO FINANCIAL STATEMENTS

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

(h) Offsetting of Financial Assets and Liabilities

The tables below present 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, 2022			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	44	(44)	–	–
Unrealized losses on derivative contracts	(117)	44	–	(73)
Liability for options written	–	–	–	–
Total	(73)	–	–	(73)

	March 31, 2021			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	–	–	–	–
Unrealized losses on derivative contracts	–	–	–	–
Liability for options written	–	–	–	–
Total	–	–	–	–