

MACKENZIE CANADIAN SHORT-TERM 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 Canadian Short-Term 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 Canadian Short-Term 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 CANADIAN SHORT-TERM BOND INDEX ETF

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INDEPENDENT AUDITOR'S REPORT (cont'd)

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Deloitte LLP

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

MACKENZIE CANADIAN SHORT-TERM 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	129,761	255,421
Cash and cash equivalents	7,359	382
Accrued interest receivable	736	1,038
Accounts receivable for investments sold	–	9,746
Accounts receivable for units issued	–	–
Due from manager	32	32
Margin on derivatives	208	–
Total assets	138,096	266,619
LIABILITIES		
Current liabilities		
Accounts payable for investments purchased	–	9,652
Accounts payable for units redeemed	–	–
Due to manager	11	21
Derivative liabilities	94	–
Total liabilities	105	9,673
Net assets attributable to unitholders	137,991	256,946

	Net assets attributable to unitholders (note 3)			
	per unit		per series	
	2022	2021	2022	2021
CAD Units	97.18	102.78	137,991	256,946
			137,991	256,946

STATEMENTS OF COMPREHENSIVE INCOME

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

	2022	2021
	\$	\$
Income		
Interest income	4,761	4,542
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(4,535)	960
Net unrealized gain (loss)	(5,310)	(2,430)
Securities lending income	34	54
Other	50	133
Total income (loss)	(5,000)	3,259
Expenses (note 6)		
Management fees	181	193
Management fee rebates	(165)	(177)
Commissions and other portfolio transaction costs	4	1
Independent Review Committee fees	1	1
Expenses before amounts absorbed by Manager	21	18
Expenses absorbed by Manager	–	–
Net expenses	21	18
Increase (decrease) in net assets attributable to unitholders from operations before tax	(5,021)	3,241
Foreign withholding tax expense (recovery)	–	–
Foreign income taxes paid (recovered)	–	–
Increase (decrease) in net assets attributable to unitholders from operations	(5,021)	3,241

	Increase (decrease) in net assets attributable to unitholders from operations (note 3)			
	per unit		per series	
	2022	2021	2022	2021
CAD Units	(2.46)	1.52	(5,021)	3,241
			(5,021)	3,241

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

MACKENZIE CANADIAN SHORT-TERM BOND INDEX ETF

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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	256,946	77,709
Increase (decrease) in net assets from operations	(5,021)	3,241
Distributions paid to unitholders:		
Investment income	(4,735)	(3,957)
Capital gains	–	(1,252)
Management fee rebates	(165)	(177)
Total distributions paid to unitholders	(4,900)	(5,386)
Unit transactions:		
Proceeds from units issued	60,379	250,480
Reinvested distributions	–	1,252
Payments on redemption of units	(169,413)	(70,350)
Total unit transactions	(109,034)	181,382
Increase (decrease) in net assets attributable to unitholders	(118,955)	179,237
End of period	137,991	256,946
Increase (decrease) in units (in thousands) (note 7):	Units	
Units outstanding – beginning of period	2,500	760
Issued	600	2,420
Reinvested distributions	–	–
Redeemed	(1,680)	(680)
Units outstanding – end of period	1,420	2,500

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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	(5,021)	3,241
Adjustments for:		
Net realized loss (gain) on investments	4,172	(960)
Change in net unrealized loss (gain) on investments	5,310	2,430
Purchase of investments	(3,617,510)	(647,495)
Proceeds from sale and maturity of investments	3,788,640	522,380
(Increase) decrease in accounts receivable and other assets	94	(688)
Increase (decrease) in accounts payable and other liabilities	(10)	15
Net cash provided by (used in) operating activities	175,675	(121,077)
Cash flows from financing activities		
Proceeds from units issued	1,662	147,253
Payments on redemption of units	(165,460)	(21,663)
Distributions paid net of reinvestments	(4,900)	(4,134)
Net cash provided by (used in) financing activities	(168,698)	121,456
Net increase (decrease) in cash and cash equivalents	6,977	379
Cash and cash equivalents at beginning of period	382	3
Effect of exchange rate fluctuations on cash and cash equivalents	–	–
Cash and cash equivalents at end of period	7,359	382
Cash	7,359	382
Cash equivalents	–	–
Cash and cash equivalents at end of period	7,359	382
Supplementary disclosures on cash flow from operating activities:		
Dividends received	–	–
Foreign taxes paid	–	–
Interest received	5,063	3,886
Interest paid	–	–

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SCHEDULE OF INVESTMENTS

as at March 31, 2022

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
BONDS					
407 International Inc. 1.80% 05-22-2025 Callable 2025	Canada	Corporate - Non Convertible	292,000	299	281
AIMCo Realty Investors LP 2.20% 11-04-2026	Canada	Corporate - Non Convertible	24,000	24	23
Alimentation Couche-Tard Inc. 3.06% 07-26-2024 Callable 2024	Canada	Corporate - Non Convertible	416,000	434	414
Allied Properties Real Estate Investment Trust 1.73% 02-12-2026	Canada	Corporate - Non Convertible	581,000	570	534
AltaGas Ltd. 2.16% 06-10-2025	Canada	Corporate - Non Convertible	445,000	453	425
AltaLink LP 3.40% 06-06-2024 Callable 2024	Canada	Corporate - Non Convertible	354,000	379	357
Apple Inc. 2.51% 08-19-2024 Callable 2024	United States	Corporate - Non Convertible	906,000	947	900
ARC Resources Ltd. 2.35% 03-10-2026	Canada	Corporate - Non Convertible	280,000	281	266
AT&T Inc. 4.00% 11-25-2025 Callable 2025	United States	Corporate - Non Convertible	689,000	756	699
Athene Global Funding 2.10% 09-24-2025	United States	Corporate - Non Convertible	251,000	254	236
Bank of America Corp. F/R 03-24-2026 Callable 2025	United States	Corporate - Non Convertible	949,000	1,022	945
Bank of Montreal 2.27% 07-11-2022	Canada	Corporate - Non Convertible	1,001,000	1,021	1,005
Bank of Montreal 2.85% 03-06-2024	Canada	Corporate - Non Convertible	589,000	609	586
Bank of Montreal 2.70% 09-11-2024 DPNT	Canada	Corporate - Non Convertible	207,000	215	206
Bank of Montreal 4.61% 09-10-2025	Canada	Corporate - Non Convertible	303,000	356	318
Bank of Montreal F/R 06-17-2030 Callable 2025	Canada	Corporate - Non Convertible	718,000	731	681
Bank of Montreal F/R 07-22-2031	Canada	Corporate - Non Convertible	305,000	306	281
The Bank of Nova Scotia 2.38% 05-01-2023	Canada	Corporate - Non Convertible	956,000	988	954
The Bank of Nova Scotia 2.29% 06-28-2024	Canada	Corporate - Non Convertible	325,000	333	321
The Bank of Nova Scotia 2.49% 09-23-2024	Canada	Corporate - Non Convertible	1,068,000	1,128	1,049
The Bank of Nova Scotia 2.16% 02-03-2025	Canada	Corporate - Non Convertible	371,000	378	359
The Bank of Nova Scotia 1.85% 11-02-2026	Canada	Corporate - Non Convertible	490,000	485	455
bclMC Realty Corp. 2.84% 06-03-2025 Callable 2025	Canada	Corporate - Non Convertible	315,000	334	310
Bell Canada Inc. 4.70% 09-11-2022	Canada	Corporate - Non Convertible	108,000	116	110
Bell Canada Inc. 2.70% 02-27-2024 Callable 2023	Canada	Corporate - Non Convertible	357,000	367	355
Bell Canada Inc. 2.75% 01-29-2025 Callable 2024	Canada	Corporate - Non Convertible	90,000	92	88
Bell Canada Inc. 2.90% 08-12-2026 Callable 2026	Canada	Corporate - Non Convertible	335,000	352	325
Bell MTS Inc. 4.00% 05-27-2024 Callable 2024	Canada	Corporate - Non Convertible	235,000	250	238
BMW Canada Inc. 2.41% 11-27-2023	Germany	Corporate - Non Convertible	73,000	75	72
Brookfield Asset Management Inc. 5.04% 03-08-2024 Callable 2023	Canada	Corporate - Non Convertible	264,000	289	272
Brookfield Asset Management Inc. 4.82% 01-28-2026 Callable 2025	Canada	Corporate - Non Convertible	398,000	461	413
Brookfield BPY Holdings Inc. 3.93% 08-24-2025	United States	Corporate - Non Convertible	614,000	640	598
Brookfield Infrastructure Finance ULC 3.32% 02-22-2024 Callable 2023	Canada	Corporate - Non Convertible	602,000	637	604
Brookfield Renewable Energy Partners ULC 3.75% 06-02-2025 Callable 2025	Canada	Corporate - Non Convertible	335,000	365	337
Cameco Corp. 4.19% 06-24-2024 Callable	Canada	Corporate - Non Convertible	362,000	388	367
Canada Housing Trust 2.40% 12-15-2022	Canada	Federal Government	2,778,000	2,881	2,795
Canada Housing Trust 2.35% 06-15-2023	Canada	Federal Government	1,697,000	1,779	1,702
Canada Housing Trust 2.35% 09-15-2023	Canada	Federal Government	2,092,000	2,209	2,096
Canada Housing Trust 2.55% 12-15-2023	Canada	Federal Government	1,579,000	1,672	1,585
Canada Housing Trust 2.90% 06-15-2024	Canada	Federal Government	2,080,000	2,242	2,101
Canada Housing Trust 1.80% 12-15-2024	Canada	Federal Government	209,000	220	205
Canada Housing Trust 2.55% 03-15-2025	Canada	Federal Government	1,010,000	1,093	1,010
Canada Housing Trust 0.95% 06-15-2025	Canada	Federal Government	4,736,000	4,672	4,501
Canada Housing Trust 1.95% 12-15-2025	Canada	Federal Government	2,685,000	2,789	2,620
Canada Housing Trust 1.25% 06-15-2026	Canada	Federal Government	1,881,000	1,859	1,775
Canada Housing Trust 1.90% 09-15-2026	Canada	Federal Government	1,716,000	1,751	1,659
Canadian Imperial Bank of Commerce 2.97% 07-11-2023	Canada	Corporate - Non Convertible	381,000	404	383
Canadian Imperial Bank of Commerce 3.29% 01-15-2024	Canada	Corporate - Non Convertible	145,000	153	146
Canadian Imperial Bank of Commerce 2.35% 08-28-2024	Canada	Corporate - Non Convertible	1,544,000	1,614	1,512
Canadian Imperial Bank of Commerce 2.00% 04-17-2025	Canada	Corporate - Non Convertible	308,000	308	296
Canadian Imperial Bank of Commerce 3.30% 05-26-2025	Canada	Corporate - Non Convertible	31,000	34	31
Canadian Imperial Bank of Commerce F/R 07-21-2030 Callable 2025	Canada	Corporate - Non Convertible	455,000	456	429
Canadian Imperial Bank of Commerce F/R 04-21-2031	Canada	Corporate - Non Convertible	381,000	381	353
Canadian Natural Resources Ltd. 1.45% 11-16-2023	Canada	Corporate - Non Convertible	91,000	93	89
Canadian Natural Resources Ltd. 3.55% 06-03-2024	Canada	Corporate - Non Convertible	121,000	125	122
Canadian Pacific Railway Co. 1.59% 11-24-2023	Canada	Corporate - Non Convertible	62,000	62	61
Canadian Western Bank 1.93% 04-16-2026	Canada	Corporate - Non Convertible	512,000	514	478
Canadian Western Bank F/R 06-11-2029	Canada	Corporate - Non Convertible	360,000	380	358
Capital Power Corp. 4.99% 01-23-2026 Callable 2025	Canada	Corporate - Non Convertible	335,000	379	349
CDP Financial Inc. 1.50% 10-19-2026	Canada	Provincial Governments	281,000	280	266
Central 1 Credit Union 2.58% 12-06-2023	Canada	Corporate - Non Convertible	701,000	736	695
Choice Properties Real Estate Investment Trust 4.903% 07-05-2023 Callable 2023	Canada	Corporate - Non Convertible	299,000	317	305

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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)					
Choice Properties Real Estate Investment Trust 4.293% 02-08-2024 Callable 2023	Canada	Corporate - Non Convertible	52,000	57	53
Choice Properties Real Estate Investment Trust 3.56% 09-09-2024 Callable 2024	Canada	Corporate - Non Convertible	266,000	280	266
Choice Properties Real Estate Investment Trust 4.06% 11-24-2025 Callable	Canada	Corporate - Non Convertible	67,000	73	68
Choice Properties Real Estate Investment Trust 2.46% 11-30-2026	Canada	Corporate - Non Convertible	156,000	156	147
City of Montreal 3.00% 09-01-2025	Canada	Municipal Governments	591,000	635	594
City of Toronto 2.45% 02-06-2025	Canada	Municipal Governments	363,000	381	361
Daimler AG 2.54% 08-21-2023	Germany	Corporate - Non Convertible	310,000	320	308
Daimler Canada Finance Inc. 3.05% 05-16-2022	Germany	Corporate - Non Convertible	15,000	15	15
Daimler Canada Finance Inc. 3.30% 08-16-2022	Germany	Corporate - Non Convertible	141,000	142	142
Daimler Canada Finance Inc. 2.57% 11-22-2022	Germany	Corporate - Non Convertible	495,000	507	497
Daimler Trucks Finance Canada Inc. 2.14% 12-13-2024	Germany	Corporate - Non Convertible	70,000	70	68
Emera Inc. 2.90% 06-16-2023	Canada	Corporate - Non Convertible	62,000	63	62
Enbridge Inc. 2.44% 06-02-2025	Canada	Corporate - Non Convertible	369,000	382	357
Enbridge Pipelines Inc. 3.00% 08-10-2026 Callable	Canada	Corporate - Non Convertible	73,000	77	71
ENMAX Corp. 3.33% 06-02-2025	Canada	Corporate - Non Convertible	361,000	383	358
Equitable Bank 1.88% 11-26-2025	Canada	Corporate - Non Convertible	386,000	382	359
European Investment Bank 1.90% 01-22-2025	Supra - National	n/a	800,000	825	785
Fairfax Financial Holdings Ltd. 4.95% 03-03-2025	Canada	Corporate - Non Convertible	237,000	250	245
Fairfax Financial Holdings Ltd. 4.70% 12-16-2026 Callable 2026	Canada	Corporate - Non Convertible	30,000	32	31
Fédération des Caisses Desjardins du Québec 2.39% 08-25-2022	Canada	Corporate - Non Convertible	1,072,000	1,096	1,076
Fédération des Caisses Desjardins du Québec 3.06% 09-11-2023	Canada	Corporate - Non Convertible	172,000	183	173
Fédération des Caisses Desjardins du Québec 2.42% 10-04-2024	Canada	Corporate - Non Convertible	466,000	490	456
Fédération des Caisses Desjardins du Québec 1.09% 01-21-2026	Canada	Corporate - Non Convertible	6,000	6	5
First Capital Realty Inc. 3.90% 10-30-2023 Callable	Canada	Corporate - Non Convertible	9,000	9	9
First Capital Realty Inc. 4.323% 07-31-2025	Canada	Corporate - Non Convertible	208,000	222	209
General Motors Financial of Canada Ltd. 1.75% 04-15-2026	United States	Corporate - Non Convertible	641,000	637	589
Government of Canada 9.25% 06-01-2022	Canada	Federal Government	50,000	61	51
Government of Canada 1.75% 03-01-2023	Canada	Federal Government	2,472,000	2,569	2,471
Government of Canada 0.25% 05-01-2023	Canada	Federal Government	3,473,000	3,449	3,412
Government of Canada 1.50% 06-01-2023	Canada	Federal Government	823,000	844	818
Government of Canada 0.25% 08-01-2023	Canada	Federal Government	478,000	473	467
Government of Canada 2.00% 09-01-2023	Canada	Federal Government	92,000	97	92
Government of Canada 0.75% 02-01-2024	Canada	Federal Government	3,050,000	2,987	2,968
Government of Canada 0.75% 10-01-2024	Canada	Federal Government	1,472,000	1,457	1,418
Government of Canada 0.25% 03-01-2026	Canada	Federal Government	488,000	465	450
Government of Canada 1.00% 09-01-2026	Canada	Federal Government	613,000	605	578
Government of Canada 1.25% 03-01-2027	Canada	Federal Government	3,653,000	3,539	3,460
H&R Real Estate Investment Trust 4.07% 06-16-2025 Callable 2025	Canada	Corporate - Non Convertible	474,000	504	476
Heathrow Funding Ltd. 3.25% 05-21-2025	United Kingdom	Corporate - Non Convertible	479,000	507	474
Honda Canada Finance Inc. 3.44% 05-23-2025	Canada	Corporate - Non Convertible	519,000	562	519
Honda Canada Finance Inc. 1.71% 09-28-2026	Canada	Corporate - Non Convertible	160,000	156	147
HSBC Bank Canada 2.25% 09-15-2022	Canada	Corporate - Non Convertible	264,000	272	265
HSBC Bank Canada 2.54% 01-31-2023	Canada	Corporate - Non Convertible	60,000	61	60
HSBC Bank Canada 3.25% 09-15-2023	Canada	Corporate - Non Convertible	354,000	378	356
HSBC Bank Canada 1.78% 05-20-2026	Canada	Corporate - Non Convertible	283,000	281	264
Husky Energy Inc. 3.55% 03-12-2025 Callable 2024	Canada	Corporate - Non Convertible	242,000	255	242
Hydro One Inc. 2.54% 04-05-2024 Callable 2024	Canada	Corporate - Non Convertible	280,000	289	278
Hydro One Inc. 1.76% 02-28-2025	Canada	Corporate - Non Convertible	104,000	104	100
Hydro One Inc. 2.77% 02-24-2026	Canada	Corporate - Non Convertible	179,000	189	176
Hyundai Capital Canada Inc. 2.01% 05-12-2026	South Korea	Corporate - Non Convertible	177,000	178	164
Intact Financial Corp. 1.21% 05-21-2024	Canada	Corporate - Non Convertible	303,000	303	291
Inter Pipeline Ltd. 2.61% 09-13-2023 Callable MTN	Canada	Corporate - Non Convertible	214,000	213	212
Inter Pipeline Ltd. 2.73% 04-18-2024 Callable 2024	Canada	Corporate - Non Convertible	170,000	168	167
Inter Pipeline Ltd. 3.17% 03-24-2025 Callable 2024 MTN	Canada	Corporate - Non Convertible	144,000	147	142
Inter-American Development Bank 4.40% 01-26-2026	Supra - National	n/a	259,000	295	275
Inter-American Development Bank 1.00% 06-29-2026	Supra - National	n/a	2,500,000	2,486	2,328
International Bank for Reconstruction and Development 2.25% 01-17-2023	Supra - National	n/a	572,000	583	576
International Bank for Reconstruction and Development 1.90% 01-16-2025	Supra - National	n/a	699,000	724	686

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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)					
International Bank for Reconstruction and Development 0.63% 01-14-2026	Supra - National	n/a	781,000	763	722
Interprovincial Pipe Line Ltd. 8.20% 02-15-2024	Canada	Corporate - Non Convertible	327,000	378	355
John Deere Canada Funding Inc. 2.63% 09-21-2022	United States	Corporate - Non Convertible	224,000	229	225
John Deere Canada Funding Inc. 2.70% 01-17-2023	United States	Corporate - Non Convertible	72,000	75	72
John Deere Financial Inc. 1.63% 04-09-2026	United States	Corporate - Non Convertible	381,000	383	355
Kreditanstalt fuer Wiederaufbau 0.75% 02-19-2026	Germany	Corporate - Non Convertible	913,000	897	848
Laurentian Bank of Canada 1.95% 03-17-2025	Canada	Corporate - Non Convertible	68,000	68	65
Loblaw Companies Ltd. 3.92% 06-10-2024 Callable 2024	Canada	Corporate - Non Convertible	217,000	231	220
Manulife Bank of Canada 1.50% 06-25-2025	Canada	Corporate - Non Convertible	629,000	634	594
Manulife Financial Corp. F/R 05-12-2030 Callable 2025	Canada	Corporate - Non Convertible	708,000	723	679
McDonald's Corp. 3.13% 03-04-2025 Callable 2025	United States	Corporate - Non Convertible	361,000	386	360
Molson Coors International LP 3.44% 07-15-2026 Callable	United States	Corporate - Non Convertible	238,000	255	235
Mondelez International Inc. 3.25% 03-07-2025 Callable 2025	United States	Corporate - Non Convertible	189,000	201	189
Morgan Stanley F/R 08-04-2027	United States	Corporate - Non Convertible	474,000	465	434
Morguard Corp. 4.20% 11-27-2024	Canada	Corporate - Non Convertible	46,000	46	44
Municipal Finance Authority of British Columbia 2.50% 04-19-2026	Canada	Municipal Governments	1,098,000	1,158	1,084
National Australia Bank Ltd. F/R 06-12-2030 Callable 2025	Australia	Corporate - Non Convertible	527,000	557	530
National Bank of Canada 1.96% 06-30-2022	Canada	Corporate - Non Convertible	126,000	129	126
National Bank of Canada 2.98% 03-04-2024	Canada	Corporate - Non Convertible	123,000	130	123
National Bank of Canada 2.55% 07-12-2024	Canada	Corporate - Non Convertible	840,000	864	827
Nissan Canada Inc. 2.10% 09-22-2025	Canada	Corporate - Non Convertible	73,000	69	69
OMERS Realty Corp. 2.86% 02-23-2024 Callable 2024	Canada	Corporate - Non Convertible	552,000	581	550
Ontario Electricity Financial Corp. 8.25% 06-22-2026	Canada	Provincial Governments	318,000	420	385
Ontario Power Generation Inc. 1.17% 04-22-2026 Callable 2026	Canada	Corporate - Non Convertible	340,000	334	312
Pembina Pipeline Corp. 3.54% 02-03-2025 Callable	Canada	Corporate - Non Convertible	463,000	496	462
Province of Alberta 2.65% 09-01-2023	Canada	Provincial Governments	293,000	311	295
Province of Alberta 2.55% 12-15-2022	Canada	Provincial Governments	148,000	154	149
Province of Alberta 3.10% 06-01-2024	Canada	Provincial Governments	249,000	266	252
Province of Alberta 2.35% 06-01-2025	Canada	Provincial Governments	1,075,000	1,125	1,064
Province of Alberta 2.20% 06-01-2026	Canada	Provincial Governments	382,000	393	373
Province of British Columbia 3.30% 12-18-2023	Canada	Provincial Governments	370,000	387	376
Province of British Columbia 2.85% 06-18-2025	Canada	Provincial Governments	663,000	710	667
Province of British Columbia 2.30% 06-18-2026	Canada	Provincial Governments	485,000	510	476
Province of Manitoba 3.30% 06-02-2024	Canada	Provincial Governments	552,000	579	561
Province of Manitoba 2.45% 06-02-2025	Canada	Provincial Governments	246,000	259	244
Province of Manitoba 4.40% 09-05-2025	Canada	Provincial Governments	704,000	801	742
Province of Manitoba 2.55% 06-02-2026	Canada	Provincial Governments	329,000	348	326
Province of New Brunswick 3.65% 06-03-2024	Canada	Provincial Governments	476,000	518	487
Province of New Brunswick 2.60% 08-14-2026	Canada	Provincial Governments	266,000	278	264
Province of Newfoundland 2.30% 06-02-2025	Canada	Provincial Governments	286,000	299	282
Province of Newfoundland 3.00% 06-02-2026	Canada	Provincial Governments	99,000	107	100
Province of Nova Scotia 2.15% 06-01-2025	Canada	Provincial Governments	236,000	246	232
Province of Ontario 2.85% 06-02-2023	Canada	Provincial Governments	2,572,000	2,712	2,594
Province of Ontario 2.60% 09-08-2023	Canada	Provincial Governments	1,130,000	1,199	1,136
Province of Ontario 8.10% 09-08-2023	Canada	Provincial Governments	844,000	1,021	913
Province of Ontario 3.50% 06-02-2024	Canada	Provincial Governments	2,341,000	2,573	2,390
Province of Ontario 2.60% 06-02-2025	Canada	Provincial Governments	1,017,000	1,058	1,014
Province of Ontario 1.75% 09-08-2025	Canada	Provincial Governments	1,379,000	1,410	1,335
Province of Ontario 8.50% 12-02-2025	Canada	Provincial Governments	158,000	200	189
Province of Ontario 2.40% 06-02-2026	Canada	Provincial Governments	3,274,000	3,436	3,226
Province of Quebec 9.38% 01-16-2023	Canada	Provincial Governments	806,000	985	855
Province of Quebec 3.00% 09-01-2023	Canada	Provincial Governments	1,181,000	1,267	1,194
Province of Quebec 3.75% 09-01-2024	Canada	Provincial Governments	151,000	164	155
Province of Quebec 2.75% 09-01-2025	Canada	Provincial Governments	1,160,000	1,216	1,162
Province of Quebec 8.50% 04-01-2026	Canada	Provincial Governments	426,000	563	517
Province of Quebec 2.50% 09-01-2026	Canada	Provincial Governments	1,555,000	1,638	1,538
Province of Saskatchewan 3.20% 06-03-2024	Canada	Provincial Governments	285,000	298	289
Province of Saskatchewan 0.80% 09-02-2025	Canada	Provincial Governments	109,000	108	102
Province of Saskatchewan 2.55% 06-02-2026	Canada	Provincial Governments	360,000	382	357
PSP Capital Inc. 2.09% 11-22-2023 Series 9	Canada	Federal Government	1,088,000	1,141	1,084
PSP Capital Inc. 3.00% 11-05-2025	Canada	Federal Government	589,000	638	594
PSP Capital Inc. 0.90% 06-15-2026	Canada	Federal Government	126,000	123	117
RioCan Real Estate Investment Trust 3.73% 04-18-2023	Canada	Corporate - Non Convertible	15,000	16	15

MACKENZIE CANADIAN SHORT-TERM BOND INDEX ETF

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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)					
RioCan Real Estate Investment Trust 3.29% 02-12-2024 Series W	Canada	Corporate - Non Convertible	184,000	191	183
RioCan Real Estate Investment Trust 2.58% 02-12-2025	Canada	Corporate - Non Convertible	178,000	180	172
Rogers Communications Inc. 4.00% 03-13-2024	Canada	Corporate - Non Convertible	162,000	176	164
Royal Bank of Canada 2.36% 12-05-2022	Canada	Corporate - Non Convertible	799,000	816	803
Royal Bank of Canada 2.95% 05-01-2023	Canada	Corporate - Non Convertible	172,000	176	173
Royal Bank of Canada 3.30% 09-26-2023	Canada	Corporate - Non Convertible	328,000	338	330
Royal Bank of Canada 2.33% 12-05-2023 DPNT	Canada	Corporate - Non Convertible	725,000	759	721
Royal Bank of Canada 1.59% 05-04-2026	Canada	Corporate - Non Convertible	633,000	635	588
Royal Bank of Canada F/R 12-23-2029 Callable 2024	Canada	Corporate - Non Convertible	360,000	369	353
Royal Bank of Canada F/R 06-30-2030 Callable 2025	Canada	Corporate - Non Convertible	1,143,000	1,165	1,084
Saputo Inc. 3.61% 08-14-2025 Callable 2025	Canada	Corporate - Non Convertible	470,000	508	469
Sobeys Inc. 4.70% 08-08-2023	Canada	Corporate - Non Convertible	47,000	51	48
Sun Life Financial Inc. F/R 09-19-2028 Callable 2023	Canada	Corporate - Non Convertible	421,000	441	421
Sysco Canada Inc. 3.65% 04-25-2025 Callable 2025	United States	Corporate - Non Convertible	835,000	897	836
TELUS Corp. 3.35% 04-01-2024 Callable	Canada	Corporate - Non Convertible	390,000	417	391
TELUS Corp. 3.75% 01-17-2025 Callable	Canada	Corporate - Non Convertible	258,000	278	260
TELUS Corp. 3.75% 03-10-2026 Callable 2025	Canada	Corporate - Non Convertible	80,000	85	80
Teranet Holdings LP 3.54% 06-11-2025	Canada	Corporate - Non Convertible	237,000	251	237
Thomson Reuters Corp. 2.24% 05-14-2025 Callable 2025	Canada	Corporate - Non Convertible	255,000	261	246
The Toronto-Dominion Bank 1.91% 07-18-2023 DPNT	Canada	Corporate - Non Convertible	1,049,000	1,076	1,042
The Toronto-Dominion Bank 2.85% 03-08-2024	Canada	Corporate - Non Convertible	74,000	77	74
The Toronto-Dominion Bank 3.226% 07-24-2024	Canada	Corporate - Non Convertible	121,000	132	122
The Toronto-Dominion Bank 2.50% 12-02-2024	Canada	Corporate - Non Convertible	140,000	148	137
The Toronto-Dominion Bank 1.94% 03-13-2025	Canada	Corporate - Non Convertible	762,000	768	732
The Toronto-Dominion Bank 9.15% 05-26-2025	Canada	Corporate - Non Convertible	161,000	215	189
The Toronto-Dominion Bank 1.13% 12-09-2025	Canada	Corporate - Non Convertible	673,000	660	619
The Toronto-Dominion Bank F/R 04-22-2030 Callable 2025	Canada	Corporate - Non Convertible	605,000	642	594
The Toronto-Dominion Bank 4.86% 03-04-2031 Callable 2026	Canada	Corporate - Non Convertible	501,000	555	520
Toyota Credit Canada Inc. 2.62% 10-11-2022	Canada	Corporate - Non Convertible	524,000	536	527
Toyota Credit Canada Inc. 3.04% 07-12-2023	Canada	Corporate - Non Convertible	366,000	388	368
Toyota Credit Canada Inc. 2.64% 03-27-2024	Canada	Corporate - Non Convertible	277,000	293	275
TransCanada Pipelines Ltd. 8.29% 02-05-2026	Canada	Corporate - Non Convertible	278,000	355	320
Union Gas Ltd. 3.19% 09-17-2025 Callable	Canada	Corporate - Non Convertible	104,000	115	104
Union Gas Ltd. 2.81% 06-01-2026 Callable	Canada	Corporate - Non Convertible	311,000	330	306
Ventas Canada Finance Ltd. 4.125% 09-30-2024 Callable 2024	United States	Corporate - Non Convertible	349,000	374	354
Volkswagen AG 1.20% 09-25-2023	Germany	Corporate - Non Convertible	295,000	296	287
VW Credit Canada Inc. 3.70% 11-14-2022	Germany	Corporate - Non Convertible	900,000	920	910
VW Credit Canada Inc. 2.85% 09-26-2024	Germany	Corporate - Non Convertible	147,000	156	145
VW Credit Canada Inc. 2.05% 12-10-2024	Germany	Corporate - Non Convertible	80,000	80	77
The Walt Disney Co. 2.76% 10-07-2024	United States	Corporate - Non Convertible	414,000	436	411
Wells Fargo & Co. 2.51% 10-27-2023	United States	Corporate - Non Convertible	515,000	540	511
Wells Fargo & Co. 3.19% 02-08-2024 Callable 2024	United States	Corporate - Non Convertible	146,000	153	146
Wells Fargo & Co. 2.98% 05-19-2026	United States	Corporate - Non Convertible	484,000	511	469
West Edmonton Mall Property Inc. 4.31% 02-13-2024	Canada	Corporate - Non Convertible	196,000	204	195
Westcoast Energy Inc. 3.43% 09-12-2024 Callable	Canada	Corporate - Non Convertible	87,000	94	87
Westcoast Energy Inc. 8.85% 07-21-2025 Callable	Canada	Corporate - Non Convertible	86,000	115	100
Westcoast Energy Inc. 3.77% 12-08-2025	Canada	Corporate - Non Convertible	57,000	63	57
Total bonds				136,749	129,761
Transaction costs				-	-
Total investments				136,749	129,761
Derivative instruments (see schedule of derivative instruments)					(94)
Cash and cash equivalents					7,359
Other assets less liabilities					965
Net assets attributable to unitholders					137,991

MACKENZIE CANADIAN SHORT-TERM BOND INDEX ETF

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SUMMARY OF INVESTMENT PORTFOLIO

MARCH 31, 2022

PORTFOLIO ALLOCATION	% OF NAV
Bonds	102.5
<i>Bonds</i>	94.0
<i>Long bond futures</i>	8.5
Other assets (liabilities)	0.7
Cash and short-term investments	(3.2)

REGIONAL ALLOCATION	% OF NAV
Canada	93.4
United States	7.3
Other assets (liabilities)	0.7
Germany	0.6
Luxembourg	0.6
Australia	0.4
United Kingdom	0.3
Other	(0.1)
Cash and short-term investments	(3.2)

SECTOR ALLOCATION	% OF NAV
Corporate bonds	44.3
Federal bonds	37.6
Provincial bonds	19.2
Municipal bonds	1.5
Other assets (liabilities)	0.7
Other	(0.1)
Cash and short-term investments	(3.2)

MARCH 31, 2021

PORTFOLIO ALLOCATION	% OF NAV
Bonds	99.4
Other assets (liabilities)	0.5
Cash and short-term investments	0.1

REGIONAL ALLOCATION	% OF NAV
Canada	98.7
United States	0.7
Other assets (liabilities)	0.5
Cash and short-term investments	0.1

SECTOR ALLOCATION	% OF NAV
Federal bonds	63.8
Corporate bonds	20.1
Provincial bonds	15.3
Other assets (liabilities)	0.5
Municipal bonds	0.2
Cash and short-term investments	0.1

MACKENZIE CANADIAN SHORT-TERM BOND INDEX ETF

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SCHEDULE OF DERIVATIVE INSTRUMENTS

as at March 31, 2022

Schedule of Futures Contracts

Type of Contract	Number of Contracts	Expiration Date	Average Rate of Contracts (\$)	Notional Value* (\$ 000)	Unrealized Gains (\$ 000)	Unrealized Losses (\$ 000)
5 Year Canadian Government Bond Futures June 2022	13	Jun. 21, 2022	117.34 CAD	1,525	–	(22)
2 Year Canadian Government Bond Futures June 2022	97	Jun. 21, 2022	106.00 CAD	10,282	–	(72)
Total futures contracts				11,807	–	(94)

* Notional value represents the exposure to the underlying instruments as at March 31, 2022

Total Derivative assets						–
Total Derivative liabilities						(94)

MACKENZIE CANADIAN SHORT-TERM 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 CANADIAN SHORT-TERM 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 CANADIAN SHORT-TERM 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.

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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.

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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.

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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		

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NOTES TO FINANCIAL STATEMENTS

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

(a) ETF Formation and Series Information

Date of Formation: January 9, 2018

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 QSB on January 29, 2018. 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 \$97.17 (2021 – \$102.78).

The management fee rate for CAD Units is 0.08%. Prior to September 20, 2019, the management fee rate for CAD Units was 0.09%.

As at March 31, 2022, the ETF's NAV per unit was \$97.18 (2021 – \$102.78) and its Net Assets per unit calculated in accordance with IFRS was \$97.18 (2021 – \$102.78).

(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
2,889	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(c) Securities Lending

	March 31, 2022	March 31, 2021
	(\$)	(\$)
Value of securities loaned	25,696	104,517
Value of collateral received	27,102	109,772

	2022		2021	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	41	100.0	66	100.0
Tax withheld	-	-	-	-
	41	100.0	66	100.0
Payments to Securities Lending Agent	(7)	(17.1)	(12)	(18.2)
Securities lending income	34	82.9	54	81.8

(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 Canadian Select Short Term Bond Index, or any successor thereto. It invests primarily in Canadian investment grade bonds.

ii. Currency risk

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

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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

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	12,620	11,807				
1-5 years	116,149	–				
5-10 years	992	–				
Greater than 10 years	–	–				
Total	129,761	11,807				
Total sensitivity to interest rate changes			(3,519)	(2.6)	3,519	2.6

March 31, 2021	Bonds (\$)	Derivative Instruments (\$)	Impact on net assets			
			Increase by 1%		Decrease by 1%	
			(\$)	(%)	(\$)	(%)
Less than 1 year	1,616	–				
1-5 years	253,805	–				
5-10 years	–	–				
Greater than 10 years	–	–				
Total	255,421	–				
Total sensitivity to interest rate changes			(6,374)	(2.5)	6,374	2.5

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 29.0% (2021 – 63.8%) 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	34.5	64.0
AA	8.9	5.4
A	28.7	19.9
BBB	15.4	8.0
Less than BBB	0.4	–
Unrated	6.1	2.1
Total	94.0	99.4

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

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NOTES TO FINANCIAL STATEMENTS

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

(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	–	129,761	–	129,761	–	255,421	–	255,421
Derivative liabilities	(94)	–	–	(94)	–	–	–	–
Total	(94)	129,761	–	129,667	–	255,421	–	255,421

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	102,809	246,598
Funds managed by affiliates of the Manager	3,449	–

(h) Offsetting of Financial Assets and Liabilities

As at March 31, 2022 and 2021, there were no amounts subject to offsetting.