

MACKENZIE US LARGE CAP EQUITY INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

TRADITIONAL EQUITY INDEX ETF

MANAGEMENT REPORT

Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by Mackenzie Financial Corporation, as Manager of Mackenzie US Large Cap Equity 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 is assisted in discharging this responsibility by an Audit Committee, which reviews the financial statements and recommends them for approval by the Board. The Audit Committee also meets regularly with the Manager, internal auditors and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues.

Deloitte LLP is the external auditor of the ETF. It is appointed by the Board. The external auditor has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express to the securityholders its opinion on the financial statements. Its report is set out below.

On behalf of Mackenzie Financial Corporation,
Manager of the ETF



Barry McInerney
President and Chief Executive Officer



Terry Rountes
Chief Financial Officer, Funds

July 13, 2020

INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Mackenzie US Large Cap Equity 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, 2020 and 2019, and the statements of comprehensive income, changes in financial position and cash flows for the periods then ended, as indicated in Note 1, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

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

Basis for Opinion

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

Other Information

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

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

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

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

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

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INDEPENDENT AUDITOR'S REPORT (cont'd)

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Deloitte LLP

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



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STATEMENTS OF FINANCIAL POSITION

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

	2020	2019
	\$	\$
ASSETS		
Current assets		
Investments at fair value	580,339	183,388
Cash and cash equivalents	132	1,152
Dividends receivable	537	128
Accounts receivable for investments sold	–	–
Accounts receivable for units issued	10	–
Due from manager	2	27
Total assets	581,020	184,695
LIABILITIES		
Current liabilities		
Accounts payable for investments purchased	–	–
Accounts payable for units redeemed	–	–
Due to manager	36	41
Total liabilities	36	41
Net assets attributable to unitholders	580,984	184,654
Net assets attributable to unitholders per series (note 3)		
Series E	580,984	184,654
Net assets attributable to unitholders per unit (note 3)		
Series E	104.68	108.62

STATEMENTS OF COMPREHENSIVE INCOME

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

	2020	2019
	\$	\$
Income		
Dividends	6,635	3,124
Interest income	6	3
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	6,423	1,388
Net unrealized gain (loss)	(69,512)	14,395
Securities lending income	14	5
Other	1	–
Total income (loss)	(56,433)	18,915
Expenses (note 6)		
Management fees	224	128
Management fee rebates	(203)	(113)
Interest charges	1	–
Commissions and other portfolio transaction costs	58	59
Independent Review Committee fees	1	1
Other	1	–
Expenses before amounts absorbed by Manager	82	75
Expenses absorbed by Manager	51	49
Net expenses	31	26
Increase (decrease) in net assets attributable to unitholders from operations before tax	(56,464)	18,889
Foreign withholding taxes	1,003	474
Foreign income taxes paid (recovered)	–	–
Increase (decrease) in net assets attributable to unitholders from operations	(57,467)	18,415
Increase (decrease) in net assets attributable to unitholders from operations per series		
Series E	(57,467)	18,415
Increase (decrease) in net assets attributable to unitholders from operations per unit		
Series E	(20.91)	13.14

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



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STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	2020	2019
	Series E	
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	\$	
Beginning of period	184,654	43,886
Increase (decrease) in net assets from operations	(57,467)	18,415
Distributions paid to unitholders:		
Investment income	(6,545)	(2,503)
Capital gains	(1,694)	(1,453)
Management fee rebates	(203)	(113)
Total distributions paid to unitholders	(8,442)	(4,069)
Unit transactions:		
Proceeds from units issued	534,861	175,722
Reinvested distributions	1,694	1,453
Payments on redemption of units	(74,316)	(50,753)
Total unit transactions	462,239	126,422
Total increase (decrease) in net assets	396,330	140,768
End of period	580,984	184,654
	Units	
Increase (decrease) in units (note 7):		
Units outstanding – beginning of period	1,700	450
Issued	4,500	1,750
Reinvested distributions	–	–
Redeemed	(650)	(500)
Units outstanding – end of period	5,550	1,700

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STATEMENTS OF CASH FLOWS

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

	2020	2019
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to unitholders from operations	(57,467)	18,415
Adjustments for:		
Net realized loss (gain) on investments	(6,337)	(1,373)
Change in net unrealized loss (gain) on investments	69,512	(14,395)
Purchase of investments	(24,160)	(11,816)
Proceeds from sale and maturity of investments	17,293	12,422
Change in dividends receivable	(409)	(106)
Change in due from manager	25	(13)
Change in due to manager	(5)	23
Net cash from operating activities	(1,548)	3,157
Cash flows from financing activities		
Proceeds from units issued	7,384	1,026
Payments on redemption of units	(173)	(437)
Distributions paid net of reinvestments	(6,748)	(2,616)
Net cash from financing activities	463	(2,027)
Net increase (decrease) in cash and cash equivalents	(1,085)	1,130
Cash and cash equivalents at beginning of period	1,152	19
Effect of exchange rate fluctuations on cash and cash equivalents	65	3
Cash and cash equivalents at end of period	132	1,152
Cash	132	1,152
Cash equivalents	–	–
Cash and cash equivalents at end of period	132	1,152
Supplementary disclosures on cash flow from operating activities:		
Dividends received	6,226	3,018
Foreign taxes paid	1,003	474
Interest received	6	3
Interest paid	1	–

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SCHEDULE OF INVESTMENTS

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES					
3M Co.	United States	Industrials	11,081	2,616	2,129
Abbott Laboratories	United States	Health Care	33,875	3,608	3,762
AbbVie Inc.	United States	Health Care	28,507	3,259	3,057
Accenture PLC Class A	United States	Information Technology	12,227	3,086	2,809
Activision Blizzard Inc.	United States	Communication Services	14,651	1,111	1,226
Adobe Systems Inc.	United States	Information Technology	9,277	3,608	4,155
Advance Auto Parts Inc.	United States	Consumer Discretionary	1,283	265	168
Advanced Micro Devices Inc.	United States	Information Technology	21,331	1,041	1,365
The AES Corp.	United States	Utilities	12,683	305	243
Aflac Inc.	United States	Financials	13,172	884	635
Agilent Technologies Inc.	United States	Health Care	5,956	628	600
Air Products and Chemicals Inc.	United States	Materials	4,242	1,209	1,192
Akamai Technologies Inc.	United States	Information Technology	3,043	333	392
Alexandria Real Estate Equities Inc.	United States	Real Estate	2,465	500	475
Alexion Pharmaceuticals Inc.	United States	Health Care	4,095	603	517
Align Technology Inc.	United States	Health Care	1,391	494	341
Alleghany Corp.	United States	Financials	267	260	208
Allergan PLC	United States	Health Care	6,153	1,445	1,534
Alliant Energy Corp.	United States	Utilities	4,701	321	319
The Allstate Corp.	United States	Financials	6,096	858	787
Ally Financial Inc.	United States	Financials	7,302	288	148
Alnylam Pharmaceuticals Inc.	United States	Health Care	2,133	310	327
Alphabet Inc. Class A	United States	Communication Services	5,774	9,813	9,442
Alphabet Inc. Class C	United States	Communication Services	5,766	9,783	9,436
Altice USA Inc. Class A	United States	Communication Services	5,985	208	188
Altria Group Inc.	United States	Consumer Staples	35,995	2,460	1,959
Amazon.com Inc.	United States	Consumer Discretionary	8,060	18,570	22,114
Ameren Corp.	United States	Utilities	4,721	454	484
American Airlines Group Inc.	United States	Industrials	7,508	304	129
American Electric Power Co. Inc.	United States	Utilities	9,527	1,111	1,072
American Express Co.	United States	Financials	11,890	1,828	1,432
American International Group Inc.	United States	Financials	16,776	1,116	573
American Tower Corp. Class A	United States	Real Estate	8,524	2,281	2,612
American Water Works Co. Inc.	United States	Utilities	3,479	530	585
Ameriprise Financial Inc.	United States	Financials	2,433	505	351
AmerisourceBergen Corp.	United States	Health Care	2,870	329	357
Ametek Inc.	United States	Industrials	4,392	536	445
Amgen Inc.	United States	Health Care	11,440	3,281	3,264
Amphenol Corp. Class A	United States	Information Technology	5,691	755	584
Analog Devices Inc.	United States	Information Technology	7,085	1,036	894
Annaly Capital Management Inc.	United States	Financials	27,505	344	196
ANSYS Inc.	United States	Information Technology	1,635	502	535
Anthem Inc.	United States	Health Care	4,886	1,777	1,561
Aon PLC	United States	Financials	4,434	1,123	1,030
Apache Corp.	United States	Energy	7,231	253	43
Apple Inc.	United States	Information Technology	74,263	24,668	26,575
Applied Materials Inc.	United States	Information Technology	17,555	1,306	1,132
Aramark Corp.	United States	Consumer Discretionary	4,755	269	134



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SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
Arch Capital Group Ltd.	United States	Financials	7,567	384	303
Archer-Daniels-Midland Co.	United States	Consumer Staples	10,695	616	529
Arista Networks Inc.	United States	Information Technology	1,043	300	297
Arthur J. Gallagher & Co.	United States	Financials	3,565	420	409
AT&T Inc.	United States	Communication Services	140,849	6,806	5,778
Atmos Energy Corp.	United States	Utilities	2,333	324	326
Autodesk Inc.	United States	Information Technology	4,238	953	931
Automatic Data Processing Inc.	United States	Information Technology	7,623	1,597	1,466
AutoZone Inc.	United States	Consumer Discretionary	453	650	539
AvalonBay Communities Inc.	United States	Real Estate	2,686	718	556
Avery Dennison Corp.	United States	Materials	1,601	275	230
Baker Hughes Co.	United States	Energy	12,519	388	185
Ball Corp.	United States	Materials	6,275	505	571
Bank of America Corp.	United States	Financials	151,122	6,403	4,515
The Bank of New York Mellon Corp.	United States	Financials	15,783	1,018	748
Baxter International Inc.	United States	Health Care	9,835	1,049	1,124
Becton, Dickinson and Co.	United States	Health Care	5,217	1,750	1,687
Berkshire Hathaway Inc. Class B	United States	Financials	25,582	7,297	6,582
Best Buy Co. Inc.	United States	Consumer Discretionary	4,419	466	354
Biogen Inc.	United States	Health Care	3,464	1,289	1,542
BioMarin Pharmaceutical Inc.	United States	Health Care	3,441	370	409
BlackRock Inc.	United States	Financials	2,125	1,390	1,316
The Blackstone Group Inc. Class A	United States	Financials	12,789	925	820
The Boeing Co.	United States	Industrials	10,197	4,576	2,140
Booking Holdings Inc.	United States	Consumer Discretionary	804	2,053	1,522
Boston Properties Inc.	United States	Real Estate	2,979	524	387
Boston Scientific Corp.	United States	Health Care	26,820	1,433	1,232
Bristol-Myers Squibb Co.	United States	Health Care	45,137	3,694	3,541
Broadcom Inc.	United States	Information Technology	7,472	2,921	2,493
Broadridge Financial Solutions Inc.	United States	Information Technology	2,196	343	293
Brown-Forman Corp. Class B non-voting	United States	Consumer Staples	5,807	473	454
Burlington Stores Inc.	United States	Consumer Discretionary	1,269	345	283
C.H. Robinson Worldwide Inc.	United States	Industrials	2,581	272	240
Cadence Design Systems Inc.	United States	Information Technology	5,333	440	496
Camden Property Trust	United States	Real Estate	1,848	266	206
Capital One Financial Corp.	United States	Financials	8,734	1,124	620
Cardinal Health Inc.	United States	Health Care	5,613	403	379
CarMax Inc.	United States	Consumer Discretionary	3,138	366	238
Carnival Corp.	United States	Consumer Discretionary	7,752	504	144
Caterpillar Inc.	United States	Industrials	10,649	1,997	1,739
Choe Global Markets Inc.	United States	Financials	2,124	316	267
CBRE Group Inc. Class A	United States	Real Estate	6,184	452	328
CBS Corp. Class B non-voting	United States	Communication Services	10,386	520	205
CDW Corp. of Delaware	United States	Information Technology	2,744	435	360
Celanese Corp. Series A	United States	Materials	2,314	354	239
Centene Corp.	United States	Health Care	10,996	890	919
CenterPoint Energy Inc.	United States	Utilities	9,644	332	210
CenturyLink Inc.	United States	Communication Services	20,882	389	278



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As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
Cerner Corp.	United States	Health Care	5,847	531	518
CF Industries Holdings Inc.	United States	Materials	4,170	251	160
The Charles Schwab Corp.	United States	Financials	22,336	1,422	1,057
Charter Communications Inc. Class A	United States	Communication Services	2,925	1,677	1,796
Chenerie Energy Inc.	United States	Energy	4,488	355	212
Chevron Corp.	United States	Energy	36,479	5,566	3,720
Chipotle Mexican Grill Inc.	United States	Consumer Discretionary	530	532	488
Chubb Ltd.	United States	Financials	7,472	1,455	1,174
Church & Dwight Co. Inc.	United States	Consumer Staples	4,727	417	427
Cigna Corp.	United States	Health Care	7,187	1,790	1,792
Cincinnati Financial Corp.	United States	Financials	3,077	402	327
Cintas Corp.	United States	Industrials	1,685	539	411
Cisco Systems Inc.	United States	Information Technology	81,810	4,930	4,526
Citigroup Inc.	United States	Financials	40,703	3,927	2,413
Citizens Financial Group Inc.	United States	Financials	8,356	426	221
Citrix Systems Inc.	United States	Information Technology	2,389	339	476
The Clorox Co.	United States	Consumer Staples	2,416	479	589
CME Group Inc.	United States	Financials	6,798	1,756	1,654
CMS Energy Corp.	United States	Utilities	5,448	423	450
The Coca-Cola Co.	United States	Consumer Staples	74,127	5,091	4,616
Cognizant Technology Solutions Corp.	United States	Information Technology	10,533	898	689
Colgate Palmolive Co.	United States	Consumer Staples	16,464	1,491	1,538
Comcast Corp. Class A	United States	Communication Services	86,816	4,730	4,200
Comerica Inc.	United States	Financials	2,756	264	114
ConAgra Brands Inc.	United States	Consumer Staples	9,131	362	377
Concho Resources Inc.	United States	Energy	3,836	460	231
ConocoPhillips	United States	Energy	21,156	1,706	917
Consolidated Edison Inc.	United States	Utilities	6,234	708	684
Constellation Brands Inc. Class A	United States	Consumer Staples	3,000	749	605
The Cooper Companies Inc.	United States	Health Care	939	372	364
Copart Inc.	United States	Industrials	3,985	426	384
Corning Inc.	United States	Information Technology	14,793	559	428
Corteva Inc.	United States	Materials	14,429	516	477
CoStar Group Inc.	United States	Industrials	695	505	574
Costco Wholesale Corp.	United States	Consumer Staples	8,396	3,055	3,369
Crown Castle International Corp.	United States	Real Estate	7,989	1,386	1,623
CSX Corp.	United States	Industrials	14,408	1,327	1,162
Cummins Inc.	United States	Industrials	2,905	662	553
CVS Health Corp.	United States	Health Care	25,043	2,326	2,091
D.R. Horton Inc.	United States	Consumer Discretionary	6,641	456	318
Danaher Corp.	United States	Health Care	12,305	2,291	2,397
Darden Restaurants Inc.	United States	Consumer Discretionary	2,338	342	179
Deere & Co.	United States	Industrials	6,058	1,317	1,178
Dell Technologies Inc. Class C	United States	Information Technology	4,204	290	234
Delta Air Lines Inc.	United States	Industrials	11,076	805	445
Dentsply Sirona Inc.	United States	Health Care	4,269	309	233
DexCom Inc.	United States	Health Care	1,734	452	657
Diamondback Energy Inc.	United States	Energy	3,080	365	114



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As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
Digital Realty Trust Inc.	United States	Real Estate	4,024	622	787
Discover Financial Services	United States	Financials	5,993	631	301
Dollar General Corp.	United States	Consumer Discretionary	4,904	920	1,042
Dollar Tree Inc.	United States	Consumer Discretionary	4,504	555	466
Dominion Resources Inc.	United States	Utilities	15,948	1,660	1,620
Domino's Pizza Inc.	United States	Consumer Discretionary	784	289	358
Dover Corp.	United States	Industrials	2,785	395	329
Dow Inc.	United States	Materials	14,326	1,005	590
DowDuPont Inc.	United States	Materials	14,255	1,241	684
DTE Energy Co.	United States	Utilities	3,684	598	492
Duke Energy Corp.	United States	Utilities	14,056	1,635	1,600
Duke Realty Corp.	United States	Real Estate	7,079	309	323
E*TRADE Financial Corp.	United States	Financials	4,340	268	210
Eastman Chemical Co.	United States	Materials	2,422	251	159
Eaton Corp. PLC	United States	Industrials	7,959	936	870
eBay Inc.	United States	Consumer Discretionary	15,004	716	635
Ecolab Inc.	United States	Materials	4,938	1,171	1,083
Edison International	United States	Utilities	6,915	635	533
Edwards Lifesciences Corp.	United States	Health Care	3,996	1,109	1,061
Elanco Animal Health Inc.	United States	Health Care	7,182	272	226
Electronic Arts Inc.	United States	Communication Services	5,535	776	780
Eli Lilly and Co.	United States	Health Care	16,305	2,514	3,183
Emerson Electric Co.	United States	Industrials	11,676	1,119	783
Entergy Corp.	United States	Utilities	3,832	560	507
EOG Resources Inc.	United States	Energy	11,176	1,209	565
Equifax Inc.	United States	Industrials	2,324	412	391
Equinix Inc.	United States	Real Estate	1,638	1,151	1,440
Equity Lifestyle Properties Inc.	United States	Real Estate	3,278	302	265
Equity Residential	United States	Real Estate	7,054	726	613
Essential Utilities Inc.	United States	Utilities	4,154	253	238
Essex Property Trust Inc.	United States	Real Estate	1,271	489	394
The Estée Lauder Companies Inc. Class A	United States	Consumer Staples	4,249	1,056	953
Everest Re Group Ltd.	United States	Financials	773	266	209
Every Inc.	United States	Utilities	4,387	361	340
Eversource Energy	United States	Utilities	6,230	643	686
Exact Sciences Corp.	United States	Health Care	2,806	336	229
Exelon Corp.	United States	Utilities	18,683	1,091	968
Expedia Group Inc.	United States	Consumer Discretionary	2,671	399	212
Expeditors International of Washington Inc.	United States	Industrials	3,265	314	307
Extra Space Storage Inc.	United States	Real Estate	2,433	331	328
Exxon Mobil Corp.	United States	Energy	81,498	7,518	4,355
Facebook Inc.	United States	Communication Services	46,144	11,848	10,832
FactSet Research Systems Inc.	United States	Financials	720	261	264
Fastenal Co.	United States	Industrials	11,037	495	485
Federal Realty Investment Trust	United States	Real Estate	1,445	242	152
FedEx Corp.	United States	Industrials	4,647	1,057	793
Fidelity National Information Services Inc.	United States	Information Technology	11,830	2,071	2,025
Fifth Third Bancorp	United States	Financials	13,635	530	285



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES (cont'd)					
First Republic Bank	United States	Financials	3,269	463	379
FirstEnergy Corp.	United States	Utilities	10,397	620	586
Fiserv Inc.	United States	Information Technology	10,736	1,515	1,435
FleetCor Technologies Inc.	United States	Information Technology	1,646	607	432
FMC Corp.	United States	Materials	2,479	295	285
FNF Group	United States	Financials	5,080	301	178
Ford Motor Co.	United States	Consumer Discretionary	74,609	916	507
Fortinet Inc.	United States	Information Technology	2,821	369	402
Fortive Corp.	United States	Industrials	5,669	565	440
Fox Corp. Class A	United States	Communication Services	6,760	333	225
Freeport-McMoRan Inc.	United States	Materials	26,882	467	255
Garmin Ltd.	United States	Consumer Discretionary	2,678	328	283
Gartner Inc.	United States	Information Technology	1,674	329	235
General Dynamics Corp.	United States	Industrials	4,862	1,176	905
General Electric Co.	United States	Industrials	165,843	2,469	1,853
General Mills Inc.	United States	Consumer Staples	11,637	782	864
General Motors Co.	United States	Consumer Discretionary	24,203	1,136	708
Genuine Parts Co.	United States	Consumer Discretionary	2,725	361	258
Gilead Sciences Inc.	United States	Health Care	24,314	2,184	2,558
Global Payments Inc.	United States	Information Technology	5,670	1,268	1,151
GoDaddy Inc.	United States	Information Technology	3,280	293	264
The Goldman Sachs Group Inc.	United States	Financials	6,372	1,887	1,386
Halliburton Co.	United States	Energy	15,699	557	151
The Hartford Financial Services Group Inc.	United States	Financials	6,931	527	344
Hasbro Inc.	United States	Consumer Discretionary	2,463	320	248
HCA Holdings Inc.	United States	Health Care	5,129	904	649
Healthpeak Properties Inc.	United States	Real Estate	9,819	413	330
Henry Schein Inc.	United States	Health Care	2,790	238	198
The Hershey Co.	United States	Consumer Staples	2,853	524	532
Hess Corp.	United States	Energy	5,361	427	251
Hewlett Packard Enterprise Co.	United States	Information Technology	24,893	514	340
Hilton Inc.	United States	Consumer Discretionary	5,356	701	514
Hologic Inc.	United States	Health Care	5,053	329	250
The Home Depot Inc.	United States	Consumer Discretionary	21,027	5,765	5,525
Honeywell International Inc.	United States	Industrials	13,770	3,078	2,593
Hormel Foods Corp.	United States	Consumer Staples	5,335	306	350
Host Hotels & Resorts Inc.	United States	Real Estate	13,682	323	213
Howmet Aerospace Inc.	United States	Industrials	7,521	299	170
HP Inc.	United States	Information Technology	27,983	761	684
Humana Inc.	United States	Health Care	2,549	1,102	1,126
Huntington Bancshares Inc.	United States	Financials	19,696	380	228
Huntington Ingalls Industries Inc.	United States	Industrials	771	253	198
IAC/InterActiveCorp	United States	Communication Services	1,505	428	380
IDEX Corp.	United States	Industrials	1,461	308	284
IDEXX Laboratories Inc.	United States	Health Care	1,632	530	556
IHS Markit Ltd.	United States	Industrials	7,018	632	593
Illinois Tool Works Inc.	United States	Industrials	5,464	1,218	1,093
Illumina Inc.	United States	Health Care	2,824	1,140	1,085



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EQUITIES (cont'd)					
Incyte Corp.	United States	Health Care	3,500	403	361
Ingersoll Rand Inc.	United States	Industrials	4,038	177	141
Intel Corp.	United States	Information Technology	83,674	6,130	6,373
Intercontinental Exchange Inc.	United States	Financials	10,626	1,235	1,208
International Business Machines Corp.	United States	Information Technology	17,076	3,104	2,666
International Flavors & Fragrances Inc.	United States	Materials	2,057	365	296
International Paper Co.	United States	Materials	7,547	461	331
Intuit Inc.	United States	Information Technology	4,853	1,572	1,571
Intuitive Surgical Inc.	United States	Health Care	2,210	1,595	1,540
Invitation Homes Inc.	United States	Real Estate	10,349	408	311
IQVIA Holdings Inc.	United States	Health Care	3,448	639	523
Iron Mountain Inc.	United States	Real Estate	5,485	235	184
J.B. Hunt Transport Services Inc.	United States	Industrials	1,633	238	212
J.M. Smucker Co.	United States	Consumer Staples	2,111	301	330
Jack Henry & Associates Inc.	United States	Information Technology	1,472	284	322
Jacobs Engineering Group Inc.	United States	Industrials	2,549	291	284
Johnson & Johnson	United States	Health Care	50,648	9,296	9,347
Johnson Controls International PLC	United States	Industrials	14,692	779	557
JPMorgan Chase & Co.	United States	Financials	58,923	9,799	7,465
Juniper Networks Inc.	United States	Information Technology	6,389	213	172
Kansas City Southern	United States	Industrials	1,903	358	341
Kellogg Co.	United States	Consumer Staples	4,867	418	411
KeyCorp	United States	Financials	18,918	474	276
Keysight Technologies Inc.	United States	Information Technology	3,612	440	425
Kimberly-Clark Corp.	United States	Consumer Staples	6,590	1,147	1,186
Kinder Morgan Inc.	United States	Energy	37,522	966	735
KKR & Co. LP	United States	Financials	10,032	372	331
KLA-Tencor Corp.	United States	Information Technology	3,029	612	613
The Kraft Heinz Co.	United States	Consumer Staples	12,386	587	431
The Kroger Co.	United States	Consumer Staples	15,327	546	650
L3Harris Technologies Inc.	United States	Industrials	4,242	1,076	1,075
Laboratory Corp. of America Holdings	United States	Health Care	1,864	412	332
Lam Research Corp.	United States	Information Technology	2,789	944	942
Lamb Weston Holdings Inc.	United States	Consumer Staples	2,801	293	225
Las Vegas Sands Corp.	United States	Consumer Discretionary	7,149	620	427
Leidos Holdings Inc.	United States	Information Technology	2,711	313	350
Lennar Corp. Class A	United States	Consumer Discretionary	5,301	405	285
Lennox International Inc.	United States	Industrials	725	246	185
Liberty Broadband Corp.	United States	Communication Services	2,864	429	446
Lincoln National Corp.	United States	Financials	3,797	299	141
LKQ Corp.	United States	Consumer Discretionary	5,469	246	158
Lockheed Martin Corp.	United States	Industrials	4,576	2,268	2,183
Loews Corp.	United States	Financials	5,264	348	258
Lowe's Companies Inc.	United States	Consumer Discretionary	14,767	2,162	1,788
LyondellBasell Industries NV Class A	United States	Materials	4,922	594	344
M&T Bank Corp.	United States	Financials	2,430	532	354
Marathon Oil Corp.	United States	Energy	15,394	272	71
Marathon Petroleum Corp.	United States	Energy	12,474	979	415



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EQUITIES (cont'd)					
Markel Corp.	United States	Financials	258	384	337
MarketAxess Holdings Inc.	United States	Financials	705	328	330
Marriott International Inc. Class A	United States	Consumer Discretionary	5,089	932	536
Marsh & McLennan Companies Inc.	United States	Financials	9,721	1,322	1,183
Martin Marietta Materials Inc.	United States	Materials	1,199	396	319
Marvell Technology Group Ltd.	Bermuda	Information Technology	12,825	403	408
Masco Corp.	United States	Industrials	5,488	322	267
MasterCard Inc. Class A	United States	Information Technology	16,974	6,064	5,770
Maxim Integrated Products Inc.	United States	Information Technology	5,181	397	354
McCormick & Co. Inc. non-voting	United States	Consumer Staples	2,353	485	468
McDonald's Corp.	United States	Consumer Discretionary	14,525	3,665	3,380
McKesson Corp.	United States	Health Care	3,467	654	660
Medtronic PLC	United States	Health Care	25,833	3,577	3,278
Merck & Co. Inc.	United States	Health Care	49,098	5,349	5,316
MetLife Inc.	United States	Financials	13,676	868	588
Mettler-Toledo International Inc.	United States	Health Care	461	447	448
MGM Resorts International	United States	Consumer Discretionary	9,056	376	150
Microchip Technology Inc.	United States	Information Technology	4,511	576	430
Micron Technology Inc.	United States	Information Technology	21,396	1,402	1,266
Microsoft Corp.	United States	Information Technology	145,129	27,096	32,210
Mid-America Apartment Communities Inc.	United States	Real Estate	2,188	355	317
Molson Coors Brewing Co. Class B	United States	Consumer Staples	3,495	258	192
Mondelez International Inc.	United States	Consumer Staples	27,369	1,870	1,929
Monster Beverage Corp.	United States	Consumer Staples	7,464	606	591
Moody's Corp.	United States	Financials	3,147	910	937
Morgan Stanley	United States	Financials	23,742	1,561	1,136
Motorola Solutions Inc.	United States	Information Technology	3,295	672	616
MSCI Inc. Class A	United States	Financials	1,581	501	643
Mylan NV	United States	Health Care	9,902	300	208
Nasdaq Inc.	United States	Financials	2,200	292	294
NetApp Inc.	United States	Information Technology	4,393	353	258
Netflix Inc.	United States	Communication Services	8,267	3,437	4,369
Newmont Goldcorp Corp. (USD Shares)	United States	Materials	16,046	862	1,022
NextEra Energy Inc.	United States	Utilities	9,409	2,782	3,186
Nike Inc. Class B	United States	Consumer Discretionary	23,685	2,849	2,758
NiSource Inc.	United States	Utilities	7,182	259	252
Noble Energy Inc.	United States	Energy	9,121	279	78
Norfolk Southern Corp.	United States	Industrials	5,026	1,213	1,033
Northern Trust Corp.	United States	Financials	3,896	535	414
Northrop Grumman Corp.	United States	Industrials	2,911	1,322	1,239
NortonLifeLock Inc.	United States	Information Technology	11,053	371	291
Norwegian Cruise Line Holdings Ltd.	United States	Consumer Discretionary	4,063	288	63
NRG Energy Inc.	United States	Utilities	4,640	228	178
Nucor Corp.	United States	Materials	5,807	437	294
NVIDIA Corp.	United States	Information Technology	11,304	3,271	4,193
NVR Inc.	United States	Consumer Discretionary	66	327	239
Occidental Petroleum Corp.	United States	Energy	17,063	1,013	278
Okta Inc.	United States	Information Technology	2,137	331	368



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EQUITIES (cont'd)					
Old Dominion Freight Line Inc.	United States	Industrials	2,067	320	382
Omega Healthcare Investors Inc.	United States	Real Estate	4,178	232	156
Omnicom Group Inc.	United States	Communication Services	4,168	429	322
ONEOK Inc.	United States	Energy	7,921	723	243
Oracle Corp.	United States	Information Technology	39,789	2,827	2,706
O'Reilly Automotive Inc.	United States	Consumer Discretionary	1,438	754	609
PACCAR Inc.	United States	Industrials	6,549	659	563
Packaging Corp. of America	United States	Materials	1,800	258	220
Palo Alto Networks Inc.	United States	Information Technology	1,830	533	422
Parker Hannifin Corp.	United States	Industrials	2,464	630	450
Paychex Inc.	United States	Information Technology	6,169	655	546
PayPal Holdings Inc.	United States	Information Technology	22,634	3,071	3,050
PepsiCo Inc.	United States	Consumer Staples	26,757	4,634	4,522
PerkinElmer Inc.	United States	Health Care	2,125	266	225
Pfizer Inc.	United States	Health Care	106,721	5,399	4,902
Philip Morris International Inc.	United States	Consumer Staples	29,962	3,431	3,076
Phillips 66	United States	Energy	8,455	1,171	638
Pinnacle West Capital Corp.	United States	Utilities	2,161	247	230
Pioneer Natural Resources Co.	United States	Energy	3,162	598	312
PNC Financial Services Group Inc.	United States	Financials	7,617	1,490	1,026
PPG Industries Inc.	United States	Materials	4,556	745	536
PPL Corp.	United States	Utilities	13,947	599	484
Principal Financial Group Inc.	United States	Financials	5,330	383	235
The Procter & Gamble Co.	United States	Consumer Staples	47,366	7,188	7,332
The Progressive Corp.	United States	Financials	11,242	1,055	1,168
ProLogis Inc.	United States	Real Estate	12,117	1,348	1,370
Prudential Financial Inc.	United States	Financials	7,737	958	568
Public Service Enterprise Group Inc.	United States	Utilities	9,741	730	616
Public Storage	United States	Real Estate	2,885	808	806
PulteGroup Inc.	United States	Consumer Discretionary	4,913	260	154
Qorvo Inc.	United States	Information Technology	2,229	295	253
Qualcomm Inc.	United States	Information Technology	22,007	2,318	2,095
Quest Diagnostics Inc.	United States	Health Care	2,585	351	292
Raymond James Financial Inc.	United States	Financials	2,390	278	213
Raytheon Co.	United States	Industrials	5,362	1,499	990
Realty Income Corp.	United States	Real Estate	6,278	587	441
Regency Centers Corp.	United States	Real Estate	3,194	262	173
Regeneron Pharmaceuticals Inc.	United States	Health Care	1,579	763	1,085
Regions Financial Corp.	United States	Financials	18,528	404	234
Reinsurance Group of America Inc.	United States	Financials	1,203	249	142
Republic Services Inc.	United States	Industrials	4,049	454	428
ResMed Inc.	United States	Health Care	2,751	504	570
RingCentral Inc. Class A	United States	Information Technology	1,397	318	417
Rockwell Automation Inc.	United States	Industrials	2,219	562	471
Roku Inc.	United States	Communication Services	1,637	302	202
Roper Technologies Inc.	United States	Industrials	1,970	882	864
Ross Stores Inc.	United States	Consumer Discretionary	6,775	950	829
Royal Caribbean Cruises Ltd.	United States	Consumer Discretionary	3,300	522	149



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EQUITIES (cont'd)					
S&P Global Inc.	United States	Financials	4,709	1,584	1,624
Salesforce.com Inc.	United States	Information Technology	16,453	3,383	3,334
SBA Communications Corp. Class A	United States	Real Estate	2,147	640	816
Schlumberger Ltd.	United States	Energy	26,672	1,468	506
Seagate Technology	United States	Information Technology	4,324	323	297
Seattle Genetics Inc.	United States	Health Care	2,301	336	374
Sempra Energy	United States	Utilities	5,431	1,013	864
ServiceNow Inc.	United States	Information Technology	3,619	1,242	1,460
The Sherwin-Williams Co.	United States	Materials	1,594	1,117	1,031
Simon Property Group Inc.	United States	Real Estate	5,725	1,116	442
Skyworks Solutions Inc.	United States	Information Technology	3,273	453	412
Snap Inc.	United States	Communication Services	18,633	366	312
Southern Co.	United States	Utilities	20,209	1,555	1,540
Southwest Airlines Co.	United States	Industrials	9,084	643	455
Splunk Inc.	United States	Information Technology	2,984	545	530
Square Inc. Class A	United States	Information Technology	6,622	575	488
SS&C Technologies Holdings Inc.	United States	Information Technology	4,255	322	262
Stanley Black & Decker Inc.	United States	Industrials	2,923	599	411
Starbucks Corp.	United States	Consumer Discretionary	22,014	2,363	2,037
State Street Corp.	United States	Financials	6,627	688	497
Steris PLC	United States	Health Care	1,628	319	321
Stryker Corp.	United States	Health Care	6,256	1,602	1,466
Sun Communities Inc.	United States	Real Estate	1,750	342	307
SVB Financial Group	United States	Financials	991	312	211
Synchrony Financial	United States	Financials	12,034	560	272
Synopsys Inc.	United States	Information Technology	2,886	480	523
Sysco Corp.	United States	Consumer Staples	9,368	946	602
T. Rowe Price Group Inc.	United States	Financials	4,383	690	602
Take-Two Interactive Software Inc.	United States	Communication Services	2,154	335	360
Targa Resources Corp.	United States	Energy	4,373	223	43
Target Corp.	United States	Consumer Discretionary	9,755	1,406	1,276
TD Ameritrade Holding Corp.	United States	Financials	4,967	339	242
TE Connectivity Ltd.	United States	Information Technology	6,435	791	570
Teledyne Technologies Inc.	United States	Industrials	692	319	289
Teleflex Inc.	United States	Health Care	890	395	367
Teradyne Inc.	United States	Information Technology	3,218	277	245
Tesla Inc.	United States	Consumer Discretionary	2,744	1,344	2,023
Texas Instruments Inc.	United States	Information Technology	18,004	2,840	2,532
Textron Inc.	United States	Industrials	4,388	271	165
Thermo Fisher Scientific Inc.	United States	Health Care	7,724	3,029	3,083
Tiffany & Co.	United States	Consumer Discretionary	2,320	378	423
The TJX Companies Inc.	United States	Consumer Discretionary	21,087	1,570	1,419
T-Mobile USA Inc.	United States	Communication Services	6,034	590	712
Tractor Supply Co.	United States	Consumer Discretionary	2,270	289	270
Trane Technologies PLC	United States	Industrials	4,577	736	532
TransDigm Group Inc.	United States	Industrials	978	675	441
TransUnion	United States	Industrials	3,612	385	336
The Travelers Companies Inc.	United States	Financials	4,849	867	678



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EQUITIES (cont'd)					
Trimble Inc.	United States	Information Technology	4,785	250	214
Truist Financial Corp.	United States	Financials	25,753	1,804	1,118
Twilio Inc. Class A	United States	Information Technology	2,377	345	299
Twitter Inc.	United States	Communication Services	14,388	605	497
Tyson Foods Inc. Class A	United States	Consumer Staples	5,624	613	458
U.S. Bancorp	United States	Financials	27,007	1,982	1,309
UDR Inc.	United States	Real Estate	5,590	331	287
UGI Corp.	United States	Utilities	4,002	243	150
Ulta Beauty Inc.	United States	Consumer Discretionary	1,047	356	259
Union Pacific Corp.	United States	Industrials	13,366	2,951	2,653
United Airlines Holdings Inc	United States	Industrials	4,171	455	185
United Parcel Service Inc. (UPS) Class B	United States	Industrials	13,520	2,023	1,777
United Rentals Inc.	United States	Industrials	1,441	288	209
United Technologies Corp.	United States	Industrials	16,645	3,103	2,210
UnitedHealth Group Inc.	United States	Health Care	18,128	6,450	6,362
Universal Health Services Inc. Class B	United States	Health Care	1,506	274	210
Vail Resorts Inc.	United States	Consumer Discretionary	768	243	160
Valero Energy Corp.	United States	Energy	7,898	946	504
Varian Medical Systems Inc.	United States	Health Care	1,751	312	253
Veeva Systems Inc. Class A	United States	Health Care	2,538	460	559
Ventas Inc.	United States	Real Estate	7,165	534	270
VEREIT Inc.	United States	Real Estate	20,502	252	141
VeriSign Inc.	United States	Information Technology	1,986	481	503
Verisk Analytics Inc.	United States	Industrials	3,126	585	613
Verizon Communications Inc.	United States	Communication Services	79,671	6,113	6,024
Vertex Pharmaceuticals Inc.	United States	Health Care	4,954	1,358	1,659
VF Corp.	United States	Consumer Discretionary	6,368	731	485
VICI Properties Inc.	United States	Real Estate	8,883	289	208
Visa Inc. Class A	United States	Information Technology	32,807	7,476	7,439
Vistra Energy Corp.	United States	Utilities	8,905	277	200
VMware Inc. Class A	United States	Information Technology	1,504	299	256
Vornado Realty Trust	United States	Real Estate	3,341	288	170
Vulcan Materials Co.	United States	Materials	2,548	453	388
W. P. Carey Inc.	United States	Real Estate	3,287	351	269
W. R. Berkley Corp.	United States	Financials	2,738	250	201
W.W. Grainger Inc.	United States	Industrials	869	361	304
Wabtec Corp.	United States	Industrials	3,454	343	234
Walgreens Boots Alliance Inc.	United States	Consumer Staples	14,211	1,094	915
Wal-Mart Stores Inc.	United States	Consumer Staples	26,907	3,955	4,302
The Walt Disney Co.	United States	Communication Services	34,704	6,217	4,718
Waste Management Inc.	United States	Industrials	8,086	1,147	1,053
Waters Corp.	United States	Health Care	1,237	365	317
WEC Energy Group Inc.	United States	Utilities	6,075	685	753
Wells Fargo & Co.	United States	Financials	72,266	4,872	2,919
Welltower Inc.	United States	Real Estate	7,815	795	503
West Pharmaceutical Services Inc.	United States	Health Care	1,413	277	303
Western Digital Corp.	United States	Information Technology	5,589	434	327
The Western Union Co.	United States	Information Technology	8,034	284	205



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EQUITIES (cont'd)					
Westrock Co.	United States	Materials	4,908	282	195
Weyerhaeuser Co.	United States	Real Estate	14,335	561	342
Whirlpool Corp.	United States	Consumer Discretionary	1,208	237	146
The Williams Companies Inc.	United States	Energy	23,354	737	465
Willis Towers Watson PLC	United States	Financials	2,464	608	589
Workday Inc. Class A	United States	Information Technology	3,181	701	583
Wynn Resorts Ltd.	United States	Consumer Discretionary	1,784	311	151
Xcel Energy Inc.	United States	Utilities	10,092	795	856
Xilinx Inc.	United States	Information Technology	4,846	598	532
Xylem Inc.	United States	Industrials	3,458	354	317
Yum! Brands Inc.	United States	Consumer Discretionary	5,826	751	562
Zebra Technologies Corp. Class A	United States	Information Technology	1,030	325	266
Zimmer Biomet Holdings Inc.	United States	Health Care	3,967	719	564
Zoetis Inc.	United States	Health Care	9,185	1,420	1,521
Total equities				637,064	580,339
Transaction costs				(3)	—
Total investments				637,061	580,339
Cash and cash equivalents					132
Other assets less liabilities					513
Total net assets					580,984



MACKENZIE
Investments

MACKENZIE US LARGE CAP EQUITY INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

TRADITIONAL EQUITY INDEX ETF

SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2020	
Portfolio Allocation	% of NAV
Equities	99.9
Other assets (liabilities)	0.1

Regional Allocation	
Regional Allocation	% of NAV
United States	99.8
Other assets (liabilities)	0.1
Bermuda	0.1

Sector Allocation	
Sector Allocation	% of NAV
Information technology	25.4
Health care	15.8
Communication services	10.8
Financials	10.6
Consumer discretionary	10.0
Industrials	8.2
Consumer staples	7.7
Utilities	3.7
Real estate	3.2
Energy	2.6
Materials	1.9
Other assets (liabilities)	0.1

March 31, 2019	
Portfolio Allocation	% of NAV
Equities	99.3
Cash and short-term investments	0.6
Other assets (liabilities)	0.1

Regional Allocation	
Regional Allocation	% of NAV
United States	98.8
Cash and short-term investments	0.6
Ireland	0.4
Other assets (liabilities)	0.1
Bermuda	0.1

Sector Allocation	
Sector Allocation	% of NAV
Information technology	21.8
Health care	14.8
Financials	12.2
Communication services	10.0
Consumer discretionary	9.9
Industrials	9.4
Consumer staples	7.3
Energy	5.5
Utilities	3.3
Real estate	3.0
Materials	2.1
Cash and short-term investments	0.6
Other assets (liabilities)	0.1



MACKENZIE
Investments

NOTES TO FINANCIAL STATEMENTS

1. Fiscal Periods and General Information

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

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

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

2. Basis of Preparation and Presentation

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

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

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

3. Significant Accounting Policies

(a) Financial instruments

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(a) Financial instruments (cont'd)

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

(b) Fair value measurement

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

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

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

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

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

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

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

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

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

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

(c) Income recognition

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

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(d) Commissions and other portfolio transaction costs

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

(e) Securities lending, repurchase and reverse repurchase transactions

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

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

(f) Offsetting

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

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

(g) Foreign currency

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

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

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

(h) Net assets attributable to unitholders per unit

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

(i) Net asset value per unit

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

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

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



NOTES TO FINANCIAL STATEMENTS

4. Critical Accounting Estimates and Judgments

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

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

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

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

Use of Estimates

Fair value of securities not quoted in an active market

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

Use of Judgments

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

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

Functional currency

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

Structured entities and associates

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

5. Income Taxes

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

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

NOTES TO FINANCIAL STATEMENTS

6. Management Fees and Operating Expenses

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

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

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

7. Units and Unit Transactions

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

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

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

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

8. ETF's Capital

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

9. Financial Instruments Risk

i. Risk exposure and management

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

NOTES TO FINANCIAL STATEMENTS

9. Financial Instruments Risk (cont'd)

i. Risk exposure and management (cont'd)

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

ii. Liquidity risk

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

iii. Currency risk

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

iv. Interest rate risk

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

v. Other price risk

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

vi. Credit risk

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

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

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

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

vii. Underlying ETFs

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

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NOTES TO FINANCIAL STATEMENTS

10. ETF Specific Information *(in '000s, 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.

Series E units were listed on the TSX under the symbol QUU on January 24, 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, 2020 was \$104.70 (2019 – \$108.56).

The management fee rate for Series E units is 0.06%. Prior to September 20, 2019, the management fee rate for Series E units was 0.08%.

As at March 31, 2020, there were no differences between the ETF's NAV per unit (2019 – \$108.62) and its Net Assets per unit calculated in accordance with IFRS (2019 – \$108.62).

(b) Investments by Mackenzie and Affiliates

As at March 31, 2020, other funds managed by Mackenzie, I.G. Investment Management, Ltd. and Counsel Portfolio Services Inc., both of which are affiliates of Mackenzie, had an investment of \$509,861, \$32,944 and \$10,740 (2019 – \$132,782, \$34,183 and \$3,145), respectively, in the ETF.

(c) Loss Carryforwards

As at the last taxation year-end, there were no capital and non-capital losses available to carry forward for tax purposes.

(d) Securities Lending

The value of securities loaned and collateral received from securities lending at March 31, 2020 and 2019 were as follows:

	March 31, 2020	March 31, 2019
	(\$)	(\$)
Value of securities loaned	20,497	4,265
Value of collateral received	21,558	4,496

Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments and financial institutions.

A reconciliation of the gross amount generated from the securities lending transactions to the security lending income to the ETF for the periods ended March 31, 2020 and 2019 is as follows:

	2020		2019	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	18	100.0	7	100.0
Tax withheld	–	–	–	–
	18	100.0	7	100.0
Payments to Securities Lending Agent	(4)	(22.2)	(2)	(28.6)
Securities lending income	14	77.8	5	71.4

(e) Offsetting of Financial Assets and Liabilities

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

(f) Risks Associated with Financial Instruments

i. Risk exposure and management

The ETF seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Solactive US Large Cap CAD Index, or any successor thereto. It invests primarily in U.S. equity securities.

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

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

ii. Currency risk

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

March 31, 2020				
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	580,339	164	–	580,503
Total	580,339	164	–	580,503
% of Net Assets	99.9	–	–	99.9

March 31, 2019				
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	183,388	1,041	–	184,429
Total	183,388	1,041	–	184,429
% of Net Assets	99.3	0.6	–	99.9

* Includes both monetary and non-monetary financial instruments

As at March 31, 2020, had the Canadian dollar increased or decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$29,025 or 5.0% (2019 – \$9,221 or 5.0%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

iii. Interest rate risk

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

iv. Other price risk

The ETF's most significant exposure to price risk arises from its investment in equity securities. As at March 31, 2020, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased by approximately \$58,034 or 10.0% (2019 – \$18,339 or 9.9%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

v. Credit risk

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



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NOTES TO FINANCIAL STATEMENTS

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

(g) Fair Value Classification

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

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

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

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

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

	March 31, 2020				March 31, 2019			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	580,339	–	–	580,339	183,388	–	–	183,388
Total	580,339	–	–	580,339	183,388	–	–	183,388

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.



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