MACKENZIE PORTFOLIO COMPLETION ETF

ACTIVE ALLOCATION ETF

Interim Unaudited Financial Statements

For the Six-Month Period Ended September 30, 2019

These Interim Unaudited Financial Statements do not contain the Interim Management Report of Fund Performance ("MRFP") of the ETF. You may obtain a copy of the Interim MRFP, at no cost, by calling the toll-free number 1-800-387-0614, by writing to us at Mackenzie Financial Corporation, 180 Queen Street West, Toronto, Ontario M5V 3K1, by visiting our website at www.mackenzieinvestments.com or by visiting the SEDAR website at www.sedar.com. Copies of the Annual Financial Statements or Annual MRFP may also be obtained, at no cost, using any of the methods outlined above.

Unitholders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS

Mackenzie Financial Corporation, the Manager of the ETF, appoints independent auditors to audit the ETF's Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Interim Financial Statements, this must be disclosed in an accompanying notice.

The ETF's independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.

MACKENZIE
Investments

STATEMENTS OF FINANCIAL POSITION

In thousands (except per unit figures)
As at

	Sep. 30 2019 $	Mar. 31 2019 (Audited) $
ASSETS		
Current assets		
Investments at fair value	3,674	6,587
Cash and cash equivalents	175	220
Dividends receivable	1	7
Accounts receivable for investments sold	–	–
Accounts receivable for units issued	–	–
Unrealized gains on derivative contracts	–	12
Total assets	**3,850**	**6,826**
LIABILITIES		
Current liabilities		
Accounts payable for investments purchased	–	–
Accounts payable for units redeemed	–	6
Due to manager	10	8
Unrealized losses on derivative contracts	20	70
Total liabilities	**30**	**84**
Net assets attributable to unitholders	**3,820**	**6,742**
Net assets attributable to unitholders per series (note 3)		
Series E	**3,820**	**6,742**
Net assets attributable to unitholders per unit (note 3)		
Series E	**19.59**	**19.54**

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended September 30 (note 1)
In thousands (except per unit figures)

	2019 $	2018 $
Income		
Dividends	91	117
Interest income	2	–
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(1)	(176)
Net unrealized gain (loss)	29	18
Securities lending income	3	4
Fee rebate income	2	4
Total income (loss)	**126**	**(33)**
Expenses (note 6)		
Management fees	12	25
Commissions and other portfolio transaction costs	8	6
Independent Review Committee fees	–	–
Other	1	–
Expenses before amounts absorbed by Manager	**21**	**31**
Expenses absorbed by Manager	–	–
Net expenses	**21**	**31**
Increase (decrease) in net assets attributable to unitholders from operations before tax	**105**	**(64)**
Foreign withholding taxes	11	14
Foreign income taxes paid (recovered)	–	–
Increase (decrease) in net assets attributable to unitholders from operations	**94**	**(78)**
Increase (decrease) in net assets attributable to unitholders from operations per series		
Series E	**94**	**(78)**
Increase (decrease) in net assets attributable to unitholders from operations per unit		
Series E	**0.38**	**(0.20)**

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

STATEMENTS OF CHANGES IN FINANCIAL POSITION

For the periods ended September 30 (note 1)
In thousands

	2019	2018
	Series E	
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	$	
Beginning of period	**6,742**	**5,118**
Increase (decrease) in net assets from operations	94	(78)
Distributions paid to unitholders:		
Investment income	(76)	(84)
Capital gains	–	–
Total distributions paid to unitholders	(76)	(84)
Unit transactions:		
Proceeds from units issued	2,636	4,812
Reinvested distributions	–	–
Payments on redemption of units	(5,576)	–
Total unit transactions	(2,940)	4,812
Total increase (decrease) in net assets	**(2,922)**	**4,650**
End of period	**3,820**	**9,768**
Increase (decrease) in units (note 7):	**Units**	
Units outstanding – beginning of period	**345**	**255**
Issued	135	240
Reinvested distributions	–	–
Redeemed	(285)	–
Units outstanding – end of period	**195**	**495**

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

STATEMENTS OF CASH FLOWS

For the periods ended September 30 (note 1)
In thousands

	2019 $	2018 $
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to unitholders from operations	94	(78)
Adjustments for:		
Net realized loss (gain) on investments	(91)	86
Change in net unrealized loss (gain) on investments	(29)	(18)
Purchase of investments	(2,627)	(4,976)
Proceeds from sale and maturity of investments	2,834	5,114
Change in dividends receivable	6	(14)
Change in due to manager	2	2
Net cash from operating activities	**189**	**116**
Cash flows from financing activities		
Proceeds from units issued	222	16
Payments on redemption of units	(382)	–
Distributions paid net of reinvestments	(76)	(84)
Net cash from financing activities	**(236)**	**(68)**
Net increase (decrease) in cash and cash equivalents	**(47)**	**48**
Cash and cash equivalents at beginning of period	220	5
Effect of exchange rate fluctuations on cash and cash equivalents	2	4
Cash and cash equivalents at end of period	**175**	**57**
Cash	175	57
Cash equivalents	–	–
Cash and cash equivalents at end of period	**175**	**57**
Supplementary disclosures on cash flow from operating activities:		
Dividends received	97	103
Foreign taxes paid	11	14
Interest received	2	–
Interest paid	–	–

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

SCHEDULE OF INVESTMENTS

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost ($ 000s)	Fair Value ($ 000s)
EQUITIES					
Allegion PLC	United States	Industrials	96	12	13
American Homes 4 Rent Class A	United States	Real Estate	400	14	14
AT&T Inc.	United States	Communication Services	284	11	14
C.H. Robinson Worldwide Inc.	United States	Industrials	93	11	10
CareTrust REIT Inc.	United States	Real Estate	200	6	6
CSX Corp.	United States	Industrials	124	12	11
DTE Energy Co.	United States	Utilities	72	12	13
Eagle Materials Inc.	United States	Materials	151	16	18
Exelon Corp.	United States	Utilities	176	11	11
Expeditors International of Washington Inc.	United States	Industrials	120	12	12
FedEx Corp.	United States	Industrials	47	11	9
Fortune Brands Home & Security Inc.	United States	Industrials	189	12	14
Healthcare Trust of America Inc.	United States	Real Estate	300	11	12
J.B. Hunt Transport Services Inc.	United States	Industrials	76	10	11
Kansas City Southern	United States	Industrials	83	12	15
Lennox International Inc.	United States	Industrials	33	11	11
Masco Corp.	United States	Industrials	254	12	14
NextEra Energy Inc.	United States	Utilities	46	12	14
Norfolk Southern Corp.	United States	Industrials	46	11	11
Nucor Corp.	United States	Materials	137	11	9
OGE Energy Corp.	United States	Utilities	207	11	12
Old Dominion Freight Line Inc.	United States	Industrials	58	11	13
Owens Corning Inc.	United States	Industrials	163	11	14
PPL Corp.	United States	Utilities	273	11	11
Public Service Enterprise Group Inc.	United States	Utilities	151	11	12
Reliance Steel & Aluminum Co.	United States	Materials	99	11	13
Sempra Energy	United States	Utilities	85	15	17
Steel Dynamics Inc.	United States	Materials	228	11	9
Sysco Corp.	United States	Consumer Staples	127	12	13
Union Pacific Corp.	United States	Industrials	51	11	11
United Parcel Service Inc. (UPS) Class B	United States	Industrials	76	11	12
Universal Health Services Inc. Class B	United States	Health Care	59	10	12
Verizon Communications Inc.	United States	Communication Services	157	12	13
Total equities				**378**	**404**
EXCHANGE-TRADED FUNDS/NOTES					
BMO Junior Gold Index ETF	Canada	Exchange-Traded Funds/Notes	1,919	87	106
Global X MLP ETF	United States	Exchange-Traded Funds/Notes	18,571	224	206
iShares Global Infrastructure ETF	United States	Exchange-Traded Funds/Notes	3,543	215	219
iShares J.P. Morgan USD Emerging Markets Bond ETF	United States	Exchange-Traded Funds/Notes	2,607	376	391
iShares Mortgage Real Estate ETF	United States	Exchange-Traded Funds/Notes	5,780	326	323
iShares Preferred and Income Securities ETF	United States	Exchange-Traded Funds/Notes	2,362	116	117
Mackenzie Floating Rate Income ETF	Canada	Exchange-Traded Funds/Notes	18,116	386	369
Mackenzie US TIPS Index ETF (CAD-Hedged)	Canada	Exchange-Traded Funds/Notes	394	39	40
SPDR Gold Trust ETF	United States	Exchange-Traded Funds/Notes	2,047	331	377
SPDR Wells Fargo Preferred Stock ETF	United States	Exchange-Traded Funds/Notes	7,805	441	457

SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost ($ 000s)	Fair Value ($ 000s)
EXCHANGE-TRADED FUNDS/NOTES (cont'd)					
Vanguard Global ex-U.S. Real Estate ETF	United States	Exchange-Traded Funds/Notes	2,719	213	211
Vanguard Mortgage-Backed Securities ETF	United States	Exchange-Traded Funds/Notes	3,434	239	242
Vanguard Real Estate ETF	United States	Exchange-Traded Funds/Notes	1,714	201	212
Total exchange-traded funds/notes				**3,194**	**3,270**
Transaction costs				–	–
Total investments				**3,572**	**3,674**
Derivative instruments (see schedule of derivative instruments)					(20)
Cash and cash equivalents					175
Other assets less liabilities					(9)
Total net assets					**3,820**

SUMMARY OF INVESTMENT PORTFOLIO

September 30, 2019

Effective Portfolio Allocation	% of NAV
Equities	58.7
Bonds	26.5
Commodities	9.9
Cash and short-term investments	5.7
Other assets (liabilities)	(0.8)

Effective Regional Allocation	% of NAV
United States	68.1
Cash and short-term investments	5.7
Other Asia	4.6
Other	3.9
Other America and Africa	3.7
Other Europe	3.7
Canada	3.4
Japan	1.3
Australia	1.2
China	1.1
United Kingdom	0.9
Mexico	0.8
Hong Kong	0.7
Brazil	0.6
France	0.6
Indonesia	0.5
Other assets (liabilities)	(0.8)

Effective Sector Allocation	% of NAV
Financials	16.4
Foreign government bonds	15.6
Real estate	12.7
Commodities	9.9
Term loans	8.7
Industrials	7.2
Energy	6.7
Utilities	6.4
Cash and short-term investments	5.7
Materials	4.1
Other	2.8
Corporate bonds	2.2
Communication services	1.6
Health care	0.4
Consumer staples	0.4
Other assets (liabilities)	(0.8)

March 31, 2019

Effective Portfolio Allocation	% of NAV
Equities	65.4
Bonds	22.7
Commodities	7.7
Cash and short-term investments	5.1
Other assets (liabilities)	(0.9)

Effective Regional Allocation	% of NAV
United States	74.2
Cash and short-term investments	5.1
Other	3.6
Canada	2.9
Other Asia	2.6
Other Americas and Africa	2.5
Other Europe	2.1
United Kingdom	1.7
Japan	1.5
China	1.2
Australia	0.8
Hong Kong	0.7
Netherlands	0.7
Germany	0.5
Brazil	0.4
Indonesia	0.4
Other assets (liabilities)	(0.9)

Effective Sector Allocation	% of NAV
Real estate	15.3
Industrials	11.6
Energy	9.2
Financials	8.7
Term loans	8.3
Commodities	7.7
Foreign government bonds	7.2
Corporate bonds	6.9
Other	6.7
Cash and short-term investments	5.1
Materials	4.3
Health care	3.0
Utilities	2.6
Communication services	2.4
Information technology	1.9
Other assets (liabilities)	(0.9)

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

SCHEDULE OF DERIVATIVE INSTRUMENTS

As at September 30, 2019

Schedule of Forward Currency Contracts

Counterparty Credit Rating	Bought ($ 000s)		Sold ($ 000s)		Settlement Date	Contract Cost ($ 000s)	Current Fair Value ($ 000s)	Unrealized (Losses) ($ 000s)
A	2,997	Canadian dollar	(2,278)	U.S. dollar	Nov. 8, 2019	(2,997)	(3,017)	(20)
Unrealized (Losses)								(20)
Total forward currency contracts								**(20)**
Total derivative instruments at fair value								**(20)**

NOTES TO FINANCIAL STATEMENTS

1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the six-month periods ended or as at September 30, 2019 and 2018, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 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 Financial Corporation, which itself is 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 unaudited interim financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including international Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). These financial statements were prepared using the same accounting policies, critical accounting judgements and estimates as applied in the Fund's most recent audited annual financial statements for the year ended March 31, 2019. 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 November 12, 2019.

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.

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(a) Financial instruments (cont'd)

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 unlisted open-ended investment funds and exchange-traded funds, if any, at FVTPL. Mackenzie has concluded that any unlisted open-ended investment fund and exchange-traded funds in which the ETF invests, does 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 September 30, 2019.

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(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.

(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.

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.

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.

NOTES TO FINANCIAL STATEMENTS

6. Management Fees and Operating Expenses (cont'd)

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 September 30, 2019 and 2018 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 September 30, 2019, 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 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.

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).

NOTES TO FINANCIAL STATEMENTS

9. Financial Instruments Risk (cont'd)

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.

NOTES TO FINANCIAL STATEMENTS

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

(a) ETF Formation and Series Information

Date of Formation November 7, 2017

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

Series E units were listed on the TSX under the symbol MPCF on November 22, 2017. The closing market price, or the midpoint of the bid and ask prices in the absence of a closing market price, at September 30, 2019 was $19.60 (March 31, 2019 – $19.55).

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

As at September 30, 2019, there were no differences between the ETF's NAV per unit (March 31, 2019 – $19.54) and its Net Assets per unit calculated in accordance with IFRS (March 31, 2019 - $19.54).

(b) Loss Carryforwards

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

(c) Securities Lending

The value of securities loaned and collateral received from securities lending at September 30, 2019 and March 31, 2019, were as follows:

	September 30, 2019	March 31, 2019
	($)	($)
Value of securities loaned	475	1,605
Value of collateral received	499	1,685

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 period ended September 30, 2019 and 2018 is as follows:

	2019		2018	
	($)	(%)	($)	(%)
Gross securities lending income	5	100.0	6	100.0
Tax withheld	(1)	(20.0)	(1)	(16.7)
	4	80.0	5	83.3
Payments to Securities Lending Agent	(1)	(20.0)	(1)	(16.7)
Securities lending income	3	60.0	4	66.6

(d) Offsetting of Financial Assets and Liabilities

As at September 30, 2019, there were no amounts subject to offsetting.

	March 31, 2019			
	Gross amount of assets/liabilities ($)	Amount available for offset ($)	Margin ($)	Net amount ($)
Unrealized gains on derivative contracts	2	–	–	2
Unrealized losses on derivative contracts	–	–	–	–
Liability for options written	–	–	–	–
Total	2	–	–	2

NOTES TO FINANCIAL STATEMENTS

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

(e) Risks Associated with Financial Instruments

i. Risk exposure and management

The ETF seeks diversification, long-term capital appreciation and potential for income by investing primarily in a diversified portfolio of alternative asset classes, including non-traditional equity and fixed income securities of issuers located anywhere in the world, currencies and commodities.

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.

	September 30, 2019			
Currency	Investments ($)	Cash and Short-Term Investments ($)	Derivative Instruments ($)	Net Exposure* ($)
U.S. dollar	3,159	131	(3,017)	273
Total	3,159	131	(3,017)	273
% of Net Assets	82.7	3.4	(79.0)	7.1

	March 31, 2019			
Currency	Investments ($)	Cash and Short-Term Investments ($)	Derivative Instruments ($)	Net Exposure* ($)
U.S. dollar	5,758	189	(2,561)	3,386
Swiss franc	–	–	140	140
Total	5,758	189	(2,421)	3,526
% of Net Assets	85.4	2.8	(35.9)	52.3

* Includes both monetary and non-monetary financial instruments

As at September 30, 2019, 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 $14 or 0.4% of total net assets (March 31, 2019 – $176 or 2.6%). In practice, the actual trading results may differ and the difference could be material.

iii. Interest rate risk

As at September 30, 2019, had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased by approximately $4 or 0.1% (March 31, 2019 – $5 or 0.1%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

iv. Other price risk

The ETF's most significant exposure to price risk arises from its investment in equity securities and exchange-traded funds/notes. As at September 30, 2019, 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 $326 or 8.5% (March 31, 2019 – $588 or 8.7%) of total net assets. In practice, the actual trading results may differ and the difference could be material.

v. Credit risk

As at September 30, 2019 and March 31, 2019, the ETF did not have a significant exposure to credit risk.

NOTES TO FINANCIAL STATEMENTS

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

(f) 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.

	September 30, 2019				March 31, 2019			
	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Equities	404	–	–	404	1,356	–	–	1,356
Exchange-traded funds/notes	3,270	–	–	3,270	5,231	–	–	5,231
Derivative assets	–	–	–	–	–	12	–	12
Derivative liabilities	–	(20)	–	(20)	–	(70)	–	(70)
Total	3,674	(20)	–	3,654	6,587	(58)	–	6,529

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 significant transfers between Level 1 and Level 2.

Financial instruments classified as Level 2 investments are valued through incorporating observable market data and using standard market convention practices.