



MACKENZIE
Investment



1 US-listed ETF that invests in international stocks

In this structure, the investor incurs exposure to international markets directly. The 15% withholding tax will be applied first by the country where the stock originates from. After the first 15%, the US applies an additional withholding tax on distributions made by the US ETF to the Canadian taxpayer. In non-registered accounts, this secondary withholding tax can amount up to an additional 15%.



2 Canadian-listed ETF that holds US-listed ETFs which invests internationally

In this structure, the exposure to international markets is experienced indirectly by the investor. When the foreign investments pay out dividends to the US-listed ETF, the investor will be subject to foreign withholding tax which will be applied by the company that the dividend originates from. The investor will then be exposed to US withholding tax when the US-listed ETF pays the dividend to the Canadian ETF.



3 Canadian-listed ETF that invests directly in international stocks

Through this structure, the investor gains direct exposure to international markets through the foreign companies in the ETF's portfolio. The global weighted average of withholding tax on international stocks is 12%* and only applies one time when the foreign investment pays dividends to the Canadian ETF.



Withholding tax by type of account

The type of account that holds the investment also plays a role in determining the amount of withholding tax that is experienced. The following chart provides information on the tax experienced based on the type of account that holds the ETF.

ETF Structure	Account Type					
	RRSP, RRIF		TFSA, RDSP, RESP		Taxable Accounts	
	Level 1 Tax (underlying ETF / exposure)	Level 2 Tax (if applicable)	Level 1 Tax (underlying ETF / exposure)	Level 2 Tax (if applicable)	Level 1 Tax (underlying ETF / exposure)	Level 2 Tax (if applicable)
US Equities						
US Listed ETF	N/A	X	N/A	✓	N/A	TC
Canadian Listed ETF (holding US. Listed ETF)	N/A	✓	N/A	✓	N/A	TC
Canadian Listed ETF (Investing directly in US. equities)	N/A	✓	N/A	✓	N/A	TC
US Fixed Income (Qualified interest income only)						
US Listed ETF	N/A	R	N/A	R	N/A	R
Canadian Listed ETF (holding US Listed ETF)	N/A	R	N/A	R	N/A	R
Canadian Listed ETF (Investing directly in US. fixed income)	N/A	X	N/A	X	N/A	✓
Foreign Equities & Fixed Income						
US Listed ETF	✓	X	✓	✓	✓	TC
Canadian Listed ETF (holding US Listed ETF)	✓	✓	✓	✓	✓	TC
Canadian Listed ETF (Investing directly in foreign equities or fixed income)	✓	N/A	✓	X	TC	N/A

✓ Tax will apply X Tax will not apply TC Tax credit is available R Reclaim is available

Level 1 Tax: Withholding taxes applied by the foreign country where the shares in the ETF originates
Level 2 Tax: Withholding taxes applied by the US to ETFs that pay dividends to non- US shareholders.

For more information about Mackenzie's ETFs, please contact your financial advisor or visit
mackenzieinvestments.com/ETFs

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