

Annual Management Report of Fund Performance

For the Period Ended March 31, 2022

This Annual Management Report of Fund Performance contains financial highlights but does not contain the complete annual financial statements of the exchange-traded fund ("ETF"). You may obtain a copy of the annual financial statements, 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. 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. For more information, please refer to the ETF's Prospectus and ETF Facts, which may also be obtained, at no cost, using any of the methods outlined above. For the ETF's current net asset value per unit and for more recent information on general market events, please visit our website.

A NOTE ON FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements that reflect our current expectations or forecasts of future events. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", "preliminary", "typical" and other similar expressions. In addition, these statements may relate to future corporate actions, future financial performance of a fund or a security and their future investment strategies and prospects. Forward-looking statements are inherently subject to, among other things, risks, uncertainties and assumptions that could cause actual events, results, performance or prospects to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, the volatility of global equity and capital markets, business competition, technological change, changes in government regulations, changes in securities laws and regulations, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, outbreaks of disease or pandemics (such as COVID-19), and the ability of Mackenzie to attract or retain key employees. The foregoing list of important risks, uncertainties and assumptions is not exhaustive. Please consider these and other factors carefully and do not place undue reliance on forward-looking statements.

The forward-looking information contained in this report is current only as of the date of this report. There should not be an expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.



MACKENZIE GLOBAL SUSTAINABLE BOND ETF

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Period Ended March 31, 2022

Management Discussion of Fund Performance

June 3, 2022

This Management Discussion of Fund Performance presents the portfolio management team's view on the significant factors and developments during the period ended March 31, 2022 (the "period"), that have affected the ETF's performance and outlook. If the ETF was established during the period, "period" represents the period from inception to the end of the fiscal period. For information on the ETF's longer-term performance, as applicable, please refer to the *Past Performance* section of the report.

In this report, "Mackenzie" and "the Manager" refer to Mackenzie Financial Corporation, the manager of the ETF. In addition, net asset value ("NAV") refers to the value of the ETF as calculated for subscription and redemption purposes, on which the discussion of ETF performance is based.

Please read *A Note on Forward-Looking Statements* on the first page of this document.

Investment Objective and Strategies

The ETF seeks to provide a steady flow of income with a potential for moderate capital growth by investing primarily in fixed income securities of issuers anywhere in the world. The ETF follows an approach to investing that focuses on sustainable and responsible issuers.

Risk

The risks of the ETF remain as discussed in the ETF's Prospectus.

The ETF is suitable for medium-term investors looking for a low-risk, global fixed income fund that invests in companies focused on sustainable investing to hold as part of their portfolio, who can handle the volatility of bond markets and who have a low tolerance for risk.

Results of Operations

Investment Performance

Yields across the Group of Ten ("G10") countries experienced volatility in response to emerging COVID-19 variants, rising prices and escalating geopolitical tensions. Throughout the period, central banks generally became more aggressive, indicating an imminent departure from ultra-accommodative monetary policy. In turn, G10 yields steadily increased. Emerging market bonds ended the period weaker as yields of U.S. fixed income assets surged in anticipation of tightening U.S. Federal Reserve policy.

Investment performance is not presented because, as at March 31, 2022, the ETF had not yet completed its first full financial year.

Environmental, Social and Governance ("ESG") Impact

The portfolio management team believes ESG-labelled debt is the best demonstration of the sustainability focus of issuers. The proceeds of green, social and sustainable bonds are invested directly in environmentally responsible or socially conscious projects, while sustainability-linked loans and sustainability-linked bonds ("SLBs") are correlated with corporate ESG targets. The team therefore increased the weighting of ESG-labelled debt within the portfolio to 60% from 33%.

Within the ETF's holdings, Suzano SA is an example of a debt issuer with a focus on sustainability. The company's first SLB was linked to greenhouse gas emission targets, and the second was linked to targets for water-use reduction and women in leadership positions.

Net Assets

From its inception on September 23, 2021, to March 31, 2022, the ETF experienced \$7.7 million in net losses (including any interest and/or dividend income) from investment performance, after deducting fees and expenses, and an increase of \$200.3 million due to net unitholder activity (including sales, redemptions and cash distributions).

Recent Developments

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

The portfolio management team expects fixed income markets to remain volatile and inflation to stay high throughout 2022. The team further expects the Federal Reserve to remain aggressive in the face of persistent inflation, making a series of interest rate increases that could lead to additional uncertainty in the longer-term growth outlook. As such, the team was monitoring credit spreads (the difference in yield between government bonds and corporate bonds of similar maturities) and remained selective in identifying corporate bond opportunities at period-end.

The team believes issuer selection and sound credit research, among other factors, remain important in assessing investment opportunities, all within the context of the ETF's environmental, social and governance framework.

Effective September 22, 2021, Atul Tiwari was appointed to the Mackenzie Funds' Independent Review Committee.

Related Party Transactions

Management Fees

The ETF paid management fees to the Manager at the annual rate of 0.50%. The annualized management expense ratio ("MER") is presented in the *Financial Highlights* section of this report.

The management fee for the ETF is calculated and accrued daily as a percentage of its NAV. The ETF's management fees were used by the Manager to pay for the costs of managing the investment portfolio of the ETF, including providing investment analysis and recommendations, making investment decisions, making brokerage arrangements for the purchase and sale of the investment portfolio and providing other services, and to pay for all costs and expenses (other than certain specified fund costs as more fully described in the Prospectus) required to operate the ETF.

Other Related Party Transactions

Investment funds managed by Mackenzie and its affiliates may invest in the ETF in accordance with the investment objectives of those funds. At March 31, 2022, funds managed by Mackenzie owned 53.0% of the ETF's NAV, and funds managed by I.G. Investment Management, Ltd. owned 46.0% of the ETF's NAV. All related party transactions are based on the current market price. As a result of these investments, the ETF may be subject to large transaction risk as discussed in the Prospectus. Mackenzie manages this risk to reduce the possibility of any adverse effects on the ETF or on its investors, through such processes as settling transactions in kind, charging creation and/or redemption fees for transactions settling in cash, and establishing appropriate order cut-off time for transactions.

The ETF did not rely on an approval, positive recommendation or standing instruction from the Mackenzie Funds' Independent Review Committee with respect to any related party transactions in the period.

Past Performance

Past performance is not presented because, as at March 31, 2022, the ETF had not yet completed its first full financial year.

MACKENZIE GLOBAL SUSTAINABLE BOND ETF

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Period Ended March 31, 2022

Summary of Investment Portfolio at March 31, 2022

PORTFOLIO ALLOCATION	% OF NAV
Bonds	100.1
Bonds	92.2
Long bond futures*	7.0
Short bond futures*	0.9
Purchased options**	0.0
Other assets (liabilities)	1.3
Purchased currency options†	0.0
Cash and short-term investments	(1.4)

REGIONAL ALLOCATION	% OF NAV
United States	38.1
Canada	35.6
Other	7.3
Chile	3.0
Brazil	2.3
Poland	2.2
Belgium	2.2
Luxembourg	2.1
Germany	2.1
Other assets (liabilities)	1.3
Japan	1.2
Mexico	1.2
Hong Kong	1.2
Netherlands	0.9
Norway	0.7
Cash and short-term investments	(1.4)

SECTOR ALLOCATION	% OF NAV
Corporate bonds	65.0
Foreign government bonds	25.5
Municipal bonds	4.5
Provincial bonds	1.9
Term loans	1.4
Other assets (liabilities)	1.3
Federal bonds	0.9
Other	0.9
Cash and short-term investments	(1.4)

NET CURRENCY EXPOSURE	% OF NAV
Canadian dollar	95.9
U.S. dollar	4.1
Other	2.8
Swiss franc	(0.6)
Egyptian pound	(0.8)
Swedish krona	(1.4)

BONDS BY CREDIT RATING††	% OF NAV
AAA	11.2
AA	16.3
A	8.9
BBB	20.4
Less than BBB	15.6
Unrated	19.8

* Notional values represent 7.0% of NAV for long bond futures and -48.6% of NAV for short bond futures.

** Notional values represent 0.2% of NAV for purchased options.

† Notional values represent 33.5% of NAV for purchased currency options.

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

TOP 25 LONG POSITIONS	% OF NAV
Issuer	
United States Treasury 0.13% 01-15-2032 Inflation Indexed	6.0
Cash and short-term investments	5.6
Government of Canada 2.25% 12-01-2029	3.3
International Bank for Reconstruction and Development 0% 03-31-2027	2.6
United States Treasury 1.88% 11-15-2051	2.5
Government of Poland 1.13% 08-07-2026	2.2
Government of Belgium 1.25% 04-22-2033	2.2
United States Treasury 0.13% 02-15-2052 Inflation Indexed	2.1
International Bank for Reconstruction and Development 6.25% 10-07-2026	2.1
Bruce Power LP 2.68% 12-21-2028	1.7
Dream Industrial Real Estate Investment Trust 2.54% 12-07-2026	1.6
iA Financial Corp. Inc. F/R 02-25-2032	1.6
United States Treasury 0.13% 02-15-2051 Inflation Indexed	1.4
Autodesk Inc. 2.40% 12-15-2031	1.3
Export Development Canada 0% 05-25-2022	1.3
International Bank for Reconstruction and Development 4.25% 01-22-2026	1.3
Ford Motor Co. 3.25% 02-12-2032	1.3
The Bank of Nova Scotia 0.65% 07-31-2024	1.2
Colbun SA 3.15% 01-19-2032	1.2
Suzano Austria GmbH 2.50% 09-15-2028	1.2
TerraForm Power Operating LLC 5.00% 01-31-2028 Callable 2027	1.2
Seaspan Corp. 5.50% 08-01-2029	1.2
AT&T Inc. 2.25% 02-01-2032 Callable 2031	1.2
Royal Bank of Canada 1.15% 07-14-2026	1.1
Interchile SA 4.50% 06-30-2056	1.1
Top long positions as a percentage of total net asset value	49.5

TOP 25 SHORT POSITIONS	% OF NAV
Issuer	
Euro BTP Futures	0.4
U.S. Treasury Note 2-Year Futures	0.5
Top short positions as a percentage of total net asset value	0.9

The investments and percentages may have changed since March 31, 2022, due to the ongoing portfolio transactions of the ETF. Quarterly updates of holdings are available within 60 days of the end of each quarter except for March 31, the ETF's fiscal year-end, when they are available within 90 days.

MACKENZIE GLOBAL SUSTAINABLE BOND ETF

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Period Ended March 31, 2022

Financial Highlights

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for each of the fiscal periods presented below. In the period when the ETF was established, "period" represents the period from inception (September 23, 2021) to the end of that fiscal period.

THE ETF'S NET ASSETS PER SECURITY (\$)¹

	Mar. 31 2022
CAD Units (Ticker: MGSB)	
Net assets, beginning of period	20.00
Increase (decrease) from operations:	
Total revenue	0.35
Total expenses	(0.01)
Realized gains (losses) for the period	0.15
Unrealized gains (losses) for the period	(1.26)
Total increase (decrease) from operations²	(0.77)
Distributions:	
From net investment income (excluding Canadian dividends)	(0.21)
From Canadian dividends	-
From capital gains	(0.14)
Return of capital	-
Total annual distributions³	(0.35)
Net assets, end of period	18.98

- (1) These calculations are prescribed by securities regulations and are not intended to be a reconciliation between opening and closing net assets per unit. This information is derived from the ETF's audited annual financial statements. The net assets per unit presented in the financial statements may differ from the net asset value per unit calculated for ETF pricing purposes. An explanation of these differences, if any, can be found in the *Notes to Financial Statements*.
- (2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the fiscal period.
- (3) Distributions were paid in cash/reinvested in additional units of the ETF, or both.

RATIOS AND SUPPLEMENTAL DATA

	Mar. 31 2022
CAD Units (Ticker: MGSB)	
Total net asset value (\$000)¹	192,619
Units outstanding (000)¹	10,150
Management expense ratio (%)²	0.57
Management expense ratio before waivers or absorptions (%)²	0.57
Trading expense ratio (%)³	0.00
Trading expense ratio before reimbursements (%)³	0.00
Portfolio turnover rate (%)⁴	n/a
Net asset value per unit (\$)	18.98
Closing market price (\$)⁵	19.00

- (1) This information is provided as at the end of the fiscal period shown.
- (2) Management expense ratio ("MER") is based on total expenses, excluding commissions and other portfolio transaction costs, income taxes and withholding taxes, for the stated period and is expressed as an annualized percentage of daily average net assets during the period, except as noted. If the ETF was established in the period, the MER is annualized from the date of inception to the end of the period. Where the ETF directly invests in securities of another fund (including other ETFs), the MER presented for the ETF includes the portion of MERs of the other fund(s) attributable to this investment. Any income distributions received from ETFs managed by the Manager, with the intention of offsetting fees paid within those ETFs but which are not considered to be duplicative fees under regulatory requirements, are treated as waived expenses for MER purposes. The Manager may waive or absorb operating expenses at its discretion and stop waiving or absorbing such expenses at any time without notice.
- (3) The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period. Where the ETF invests in securities of another fund (including other ETFs), the TER presented for the ETF includes the portion of TERs of the other fund(s) attributable to this investment. Mackenzie may reimburse the ETF for certain brokerage commissions and other transaction costs (including those payable to the custodian or its agents). Mackenzie may make these reimbursements at its discretion and stop these reimbursements at any time without notice.
- (4) The ETF's portfolio turnover rate indicates how actively the ETF's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the period. The higher the ETF's portfolio turnover rate in a period, the greater the trading costs payable by the ETF in the period, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF. The portfolio turnover rate is not provided when the ETF is less than one year old.
- (5) Closing market price, or the midpoint of the bid and ask prices in the absence of a closing market price, on the last trading day of the period as reported on the NEO Exchange Inc.