

MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

Annual Management Report of Fund Performance

For the Year 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 interim financial report, 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
Investments

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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 that have affected the ETF's performance and outlook in the year ended March 31, 2022 (the "period"). If the ETF was established during the period, "period" represents the period since inception.

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 a steady flow of income with potential for long-term capital growth by investing primarily in higher-yielding fixed income securities and instruments of issuers of any size anywhere in the world.

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 global fixed income fund to hold as part of their portfolio, who can handle the volatility of bond markets and who have a low to medium tolerance for risk.

Results of Operations

Investment Performance

During the period, the ETF returned -2.7% (after deducting fees and expenses). This compares with a return of -3.6% for a blended index composed of a 25% weighting in the ETF's broad-based index, the ICE BofA Global Broad Market (Hedged) Index (returned -4.1%), and a 75% weighting in the ICE BofA Global High Yield (Hedged) Index (returned -3.4%). All index returns are calculated on a total return basis in Canadian dollar terms. Investors cannot invest in an index without incurring fees, expenses and commissions, which are not reflected in the index returns.

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 had a strong start but ended the period weaker as yields of U.S. fixed income assets surged in anticipation of tightening U.S. Federal Reserve policy.

Extremely narrow high-yield spreads (the difference in yield between government bonds and high-yield bonds of similar maturities) in the first half of the period were supported by higher economic growth projections and improving credit fundamentals. However, volatility intensified and spreads widened in the second half, driven by weaker growth prospects as a result of new COVID-19 variants, a downturn in the Chinese property sector, aggressive central bank policies and more cautious investor sentiment in response to escalating geopolitical tensions.

The ETF outperformed both the broad-based index and the blended index, with its shorter duration (lower sensitivity to interest rates) and exposure to term loans contributing to performance. Security selection within industrial sector corporate bonds also contributed to performance. Conversely, holdings in selected foreign government bonds and security selection within real estate sector corporate bonds detracted from performance. Given the ETF's mandate, the return of the blended index is a more meaningful comparison.

The ETF's foreign currency exposure was not fully hedged. The unhedged exposure detracted from performance as a result of the overall depreciation of the unhedged currencies relative to the Canadian dollar.

Over the period, neither portfolio activity nor market developments significantly changed the positioning of the ETF.

Net Assets

The ETF's net assets increased by 9.5% during the period to \$247.5 million. This change was composed primarily of \$5.4 million in net losses (including any interest and/or dividend income) from investment performance, after deducting fees and expenses, and an increase of \$26.8 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 ETF maintained a shorter duration than the blended index at the end of the period, although the team was actively monitoring rising yields and the risk environment. The team believes the high-yield and floating-rate term loan markets offer good relative value, but issuer selection and sound credit research, among other factors, remain important in assessing investment opportunities.

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

Related Party Transactions

Management Fees

The management expense ratio ("MER") for the ETF during the year ended March 31, 2022, was similar to the MER for the year ended March 31, 2021. Total expenses paid vary from period to period mainly as a result of changes in average assets in the ETF. The MERs are presented in the *Financial Highlights* section of this report. The ETF paid management fees to the Manager at the annual rate of 0.60%.

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 72.1% of the ETF's NAV, funds managed by Canada Life Investment Management Ltd. owned 18.1% of the ETF's NAV, and funds managed by I.G. Investment Management, Ltd. owned 5.1% 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

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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.

During the period, the ETF received \$0.01 million in income distributions from investments in other ETFs managed by Mackenzie to offset fees paid within those ETFs. There is no assurance that these distributions will continue in the future.

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.

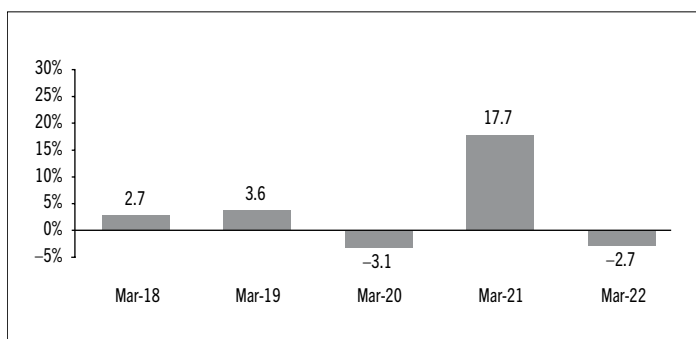
Past Performance

The ETF's past performance information is presented in the following chart and table. It assumes all distributions made by the ETF in the periods presented are reinvested in additional units of the ETF. The chart and table do not take into account brokerage commissions or income taxes payable by any investor that would have reduced returns. The past performance of the ETF is not necessarily an indication of how it will perform in the future.

If you hold this ETF outside of a registered plan, income and capital gains distributions paid to you increase your income for tax purposes whether paid to you in cash or reinvested in additional units of the ETF. The amount of reinvested taxable distributions is added to the adjusted cost base of the units that you own. This would decrease your capital gain or increase your capital loss when you later sell from the ETF, thereby ensuring that you are not taxed on this amount again. Please consult your tax advisor regarding your personal tax situation.

Year-by-Year Returns

The following bar chart presents the performance of the ETF for each of the fiscal periods shown. The chart shows, in percentage terms, how much an investment made on the first day of each fiscal period, or on the ETF's inception date (April 26, 2017), as applicable, would have increased or decreased by the last day of the fiscal period presented.



Annual Compound Returns

The following table compares the historical annual compound total returns for the ETF with the relevant index or indices shown below for each of the periods ended March 31, 2022. Investors cannot invest in an index without incurring fees, expenses and commissions, which are not reflected in these performance figures.

All index returns are calculated in Canadian dollars on a total return basis, meaning that all dividend payments, interest income accruals and interest payments are reinvested.

Percentage Return:	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Mackenzie Global High Yield Fixed Income ETF	-2.7	3.6	n/a	n/a	3.4
Blended Index	-3.6	2.5	n/a	n/a	2.9
ICE BofA Global Broad Market (Hedged) Index*	-3.4	2.9	n/a	n/a	3.2
ICE BofA Global High Yield (Hedged) Index	-4.1	1.0	n/a	n/a	1.7

* Broad-based index

The blended index is composed of 25% ICE BofA Global Broad Market (Hedged) Index and 75% ICE BofA Global High Yield (Hedged) Index.

The ICE BofA Global Broad Market (Hedged) Index tracks the performance of investment grade debt publicly issued in the major domestic and eurobond markets, including sovereign, quasi-government, corporate, securitized and collateralized securities. Qualifying bonds must be rated "BBB" or higher and have a remaining term to maturity of at least one year. The foreign currency exposure is hedged to the Canadian dollar.

The ICE BofA Global High Yield (Hedged) Index tracks the performance of non-investment grade corporate debt publicly issued in the major domestic or eurobond markets and denominated in U.S. dollars, Canadian dollars, British pounds or euros. The foreign currency exposure is hedged to the Canadian dollar.

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Summary of Investment Portfolio at March 31, 2022

PORTFOLIO ALLOCATION	% OF NAV
Bonds	85.1
Other assets (liabilities)	6.2
Cash and short-term investments	5.1
Equities	2.9
Exchange-traded funds/notes	0.7

REGIONAL ALLOCATION	% OF NAV
United States	37.8
Canada	25.3
Other assets (liabilities)	6.2
Luxembourg	5.3
Cash and short-term investments	5.1
Netherlands	4.0
Other	3.7
United Kingdom	3.3
Mexico	2.4
Colombia	1.3
Chile	1.1
France	1.1
Brazil	0.8
Uruguay	0.7
China	0.7
Italy	0.6
Bahamas	0.6

SECTOR ALLOCATION	% OF NAV
Corporate bonds – Energy	13.6
Corporate bonds – Media	8.0
Term loans	8.0
Other	7.8
Corporate bonds – Basic industry	6.8
Corporate bonds – Telecommunications	6.8
Corporate bonds – Healthcare	6.2
Other assets (liabilities)	6.2
Cash and short-term investments	5.1
Corporate bonds – Capital goods	5.0
Corporate bonds – Retail	3.8
Corporate bonds – Financial services	3.6
Corporate bonds – Consumer goods	3.4
Corporate bonds – Utility	3.0
Corporate bonds – Services	2.9
Corporate bonds – Technology and electronics	2.7
Corporate bonds – Transportation	2.7
Corporate bonds – Automotive	2.2
Corporate bonds – Real estate	2.2

NET CURRENCY EXPOSURE	% OF NAV
Canadian dollar	89.3
U.S. dollar	9.4
Brazilian real	0.4
Colombian peso	0.4
Mexican peso	0.4
Euro	0.1

BONDS BY CREDIT RATING*	% OF NAV
A	0.2
BBB	6.8
Less than BBB	67.6
Unrated	10.4

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

TOP 25 POSITIONS	% OF NAV
Issuer	
Cash and short-term investments	5.1
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	1.2
Minerva Merger Sub Inc. 6.50% 02-15-2030	1.0
Keyera Corp. F/R 06-13-2079 Callable 2029	1.0
Inter Pipeline Ltd. F/R 03-26-2079 Callable 2029	0.8
Rogers Communications Inc. F/R 03-15-2082	0.8
Uber Technologies Inc. 8.00% 11-01-2026 Callable 2022	0.7
Parkland Corp. of Canada 4.50% 10-01-2029	0.7
Arcos Dorados Holdings Inc. 5.88% 04-04-2027 Callable 2022	0.7
Teva Pharmaceutical Industries Ltd. 2.80% 07-21-2023	0.7
Guala Closures SpA 3.25% 06-15-2028	0.6
VMED O2 UK Financing I PLC 4.75% 07-15-2031	0.6
Ziggo Bond Co. BV 5.13% 02-28-2030 Callable 2025	0.6
Emera Inc.	0.6
Scripps Escrow Inc. 5.88% 07-15-2027 Callable 2022	0.6
Talen Energy Supply LLC 7.25% 05-15-2027 Callable 2022	0.6
TerraForm Power Operating LLC 5.00% 01-31-2028 Callable 2027	0.6
Ford Credit Canada Co. 2.96% 09-16-2026	0.6
Petroleos Mexicanos 6.70% 02-16-2032	0.6
Horizon Therapeutics PLC 5.50% 08-01-2027 Callable 2022	0.5
Cenovus Energy Inc. 4.45% 12-31-2049	0.5
Videotron Ltd. 3.63% 06-15-2028	0.5
eG Global Finance PLC 6.75% 02-07-2025 Callable 2022	0.5
Panther BF Aggregator 2 LP 8.50% 05-15-2027 Callable 2022	0.5
CAP SA 3.90% 04-27-2031	0.5
Top long positions as a percentage of total net asset value	21.1

The ETF held no short positions at the end of the period.

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.

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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 to the end of that fiscal period. The inception date can be found under *Past Performance*.

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

CAD Units (Ticker: MHYB)	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018
Net assets, beginning of period	19.92	17.80	19.26	19.61	20.00
Increase (decrease) from operations:					
Total revenue	1.04	1.07	1.15	1.17	1.10
Total expenses	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)
Realized gains (losses) for the period	(0.05)	0.27	0.38	(0.77)	0.23
Unrealized gains (losses) for the period	(1.42)	1.82	(2.03)	0.42	(0.64)
Total increase (decrease) from operations²	(0.44)	3.15	(0.51)	0.81	0.67
Distributions:					
From net investment income (excluding Canadian dividends)	(0.86)	(0.94)	(0.98)	(1.00)	(0.79)
From Canadian dividends	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
From capital gains	–	–	–	–	(0.64)
Return of capital	–	–	(0.01)	(0.01)	(0.01)
Total annual distributions³	(0.88)	(0.96)	(1.01)	(1.03)	(1.46)
Net assets, end of period	18.54	19.92	17.80	19.26	19.61

- (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

CAD Units (Ticker: MHYB)	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018
Total net asset value (\$000) ¹	247,503	226,061	182,423	172,343	190,170
Units outstanding (000) ¹	13,350	11,350	10,250	8,950	9,700
Management expense ratio (%) ²	0.67	0.66	0.67	0.70	0.73
Management expense ratio before waivers or absorptions (%) ²	0.67	0.66	0.67	0.70	0.73
Trading expense ratio (%) ³	0.00	0.00	0.00	0.00	0.00
Trading expense ratio before reimbursements (%) ³	0.00	0.00	0.00	0.00	0.00
Portfolio turnover rate (%) ⁴	50.69	47.44	68.42	72.78	n/a
Net asset value per security (\$)	18.54	19.92	17.80	19.25	19.60
Closing market price (\$) ⁵	18.46	19.93	17.49	19.35	19.64

- (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.