

## **Interim Management Report of Fund Performance**

*For the Six-Month Period Ended September 30, 2022*

*This Interim Management Report of Fund Performance contains financial highlights but does not contain either the interim financial report or annual financial statements of the exchange-traded fund (“ETF”). You may obtain a copy of the interim financial report or 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](http://www.mackenzieinvestments.com) or by visiting the SEDAR website at [www.sedar.com](http://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 GROWTH ALLOCATION ETF

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## Management Discussion of Fund Performance

November 11, 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 six-month period ended September 30, 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.

## Results of Operations

### Investment Performance

During the period, the ETF returned -12.1% (after deducting fees and expenses). This compares with a return of -11.7% for the ETF's broad-based index, the S&P 500 Index, and a return of -11.1% for a blended index.\* 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.

Canadian equities fell over the period, driven by rising interest rates and volatile commodity prices, while moderating economic indicators and expectations of higher interest rates put downward pressure on global equity markets. Volatility remained heightened across most Group of Ten ("G10") fixed income markets. Both the U.S. Federal Reserve and the Bank of Canada increased their policy rates by 275 basis points, ending the period at 3.25%, while the European Central Bank raised its key policy rate by 125 basis points.

The ETF underperformed both the broad-based index and the blended index, with the portfolio of fixed income ETFs underperforming the fixed income portion of the blended index and the portfolio of equity ETFs underperforming the equity portion of the blended index.

Among the underlying ETFs, Mackenzie US Large Cap Equity Index ETF and Mackenzie Canadian Equity Index ETF were the largest detractors from the ETF's absolute performance. Mackenzie Emerging Markets Local Currency Bond Index ETF and Mackenzie Developed ex-North America Aggregate Bond Index ETF (CAD-Hedged) detracted the least.

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

\* The blended index is composed of a 36.0% weighting in the S&P 500 Index (returned -11.7%), a 24.0% weighting in the S&P/TSX Composite Index (returned -14.4%), a 14.4% weighting in the MSCI EAFE (Net) Index (returned -14.3%), an 11.8% weighting in the FTSE Canada Universe Bond Index (returned -5.2%), a 5.6% weighting in the MSCI Emerging Markets (Net) Index (returned -13.4%), a 4.6% weighting in the Bloomberg US Aggregate Bond Index (returned 0.4%), a 3.2% weighting in the Bloomberg GDP Global Aggregate Developed Market ex US (Hedged to USD) Index (returned 1.4%) and a 0.5% weighting in the J.P. Morgan GBI-EM Global Core Index (returned -3.0%).

## Net Assets

The ETF's net assets increased by 25.5% during the period to \$13.3 million. This change was composed primarily of \$1.5 million in net losses (including any interest and/or dividend income) from investment performance, after deducting fees and expenses, and an increase of \$4.2 million due to net unitholder activity (including sales, redemptions and cash distributions).

At September 30, 2022, 13.0% of the ETF's NAV was held by investors that individually owned 10% or more of the ETF. As a result of these investments, the ETF is subject to large transaction risk as discussed in the Prospectus. Mackenzie manages this risk to reduce the possibility of any adverse effect 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 times for transactions.

## Recent Developments

The portfolio management team believes the risk of a hard-landing recession increased as major central banks raised interest rates to control inflation. Historically, an inverted government yield curve (with short-term yields higher than long-term yields) has been a reliable predictor of a recession in the next 12 to 18 months; late in the period, yield curves in the United States, Canada and the United Kingdom became more inverted. An externally driven energy crisis and high inflation have also increased recession risk in Europe, in the team's opinion. Though inflation appears to have peaked in many economies, in the short-to-medium term the team expects high and persistent inflation to pressure interest rates higher.

In the near term, the CBOE Volatility Index, or VIX Index, is significantly elevated, suggesting that larger-than-usual equity declines are statistically possible. The team believes increased volatility reflects worries that the cumulative impact of central bank tightening will slow global economic growth, lower earnings and weigh on equity valuations.

## Related Party Transactions

### Management Fees

The annualized management expense ratio ("MER") for the ETF during the period ended September 30, 2022, was similar to the MER for the year ended March 31, 2022. 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 0.17%.

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.

# MACKENZIE GROWTH ALLOCATION ETF

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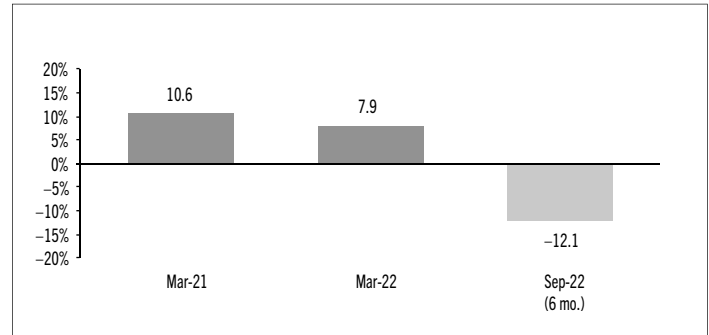
## Other Related Party Transactions

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 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 (September 29, 2020), as applicable, would have increased or decreased by the last day of the fiscal period presented.



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## Summary of Investment Portfolio at September 30, 2022

EFFECTIVE PORTFOLIO ALLOCATION	% OF NAV
Equities	78.6
Bonds	20.2
Other assets (liabilities)	0.8
Cash and short-term investments	0.4

EFFECTIVE REGIONAL ALLOCATION	% OF NAV
United States	40.7
Canada	34.7
Other	6.4
Japan	4.0
United Kingdom	2.2
France	1.8
Switzerland	1.5
Hungary	1.4
Australia	1.2
Germany	1.2
India	0.9
Taiwan	0.8
Other assets (liabilities)	0.8
Netherlands	0.8
South Korea	0.6
Ireland	0.6
Cash and short-term investments	0.4

EFFECTIVE SECTOR ALLOCATION	% OF NAV
Financials	14.8
Information technology	13.3
Industrials	8.4
Health care	7.7
Consumer discretionary	7.3
Energy	6.8
Federal bonds	6.4
Corporate bonds	5.5
Consumer staples	5.3
Materials	5.2
Communication services	5.2
Other	5.1
Provincial bonds	4.5
Foreign government bonds	3.1
Other assets (liabilities)	0.8
Cash and short-term investments	0.4
Utilities	0.2

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

TOP 25 POSITIONS	% OF NAV
<b>Issuer/Underlying Fund</b>	
Mackenzie US Large Cap Equity Index ETF	36.4
Mackenzie Canadian Equity Index ETF	23.1
Mackenzie International Equity Index ETF	13.8
Mackenzie Canadian Aggregate Bond Index ETF	12.6
Mackenzie Emerging Markets Equity Index ETF	5.6
Mackenzie U.S. Aggregate Bond Index ETF (CAD-Hedged)	4.7
Mackenzie Developed ex-North America Aggregate Bond Index ETF (CAD-Hedged)	3.3
Mackenzie Emerging Markets Local Currency Bond Index ETF	0.4
<b>Top long positions as a percentage of total net asset value</b>	<b>99.9</b>

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

For the prospectus and other information about the underlying fund(s) held in the portfolio, visit [www.mackenzieinvestments.com](http://www.mackenzieinvestments.com) or [www.sedar.com](http://www.sedar.com).

The investments and percentages may have changed since September 30, 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 GROWTH ALLOCATION ETF

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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: MGRW)	Sep. 30 2022	Mar. 31 2022	Mar. 31 2021
<b>Net assets, beginning of period</b>	23.60	22.30	20.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.25	0.45	0.28
Total expenses	(0.02)	(0.04)	(0.02)
Realized gains (losses) for the period	0.01	0.43	0.14
Unrealized gains (losses) for the period	(3.02)	0.56	1.49
<b>Total increase (decrease) from operations²</b>	(2.78)	1.40	1.89
<b>Distributions:</b>			
From net investment income (excluding Canadian dividends)	(0.08)	(0.26)	(0.17)
From Canadian dividends	(0.05)	(0.16)	(0.04)
From capital gains	(0.10)	(0.30)	(0.07)
Return of capital	–	–	–
<b>Total annual distributions³</b>	(0.23)	(0.72)	(0.28)
<b>Net assets, end of period</b>	20.51	23.60	22.30

(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 unaudited interim financial statements and 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: MGRW)	Sep. 30 2022	Mar. 31 2022	Mar. 31 2021
Total net asset value (\$000)¹	13,334	10,621	5,575
Units outstanding (000)¹	650	450	250
Management expense ratio (%)²	0.20	0.19	0.20
Management expense ratio before waivers or absorptions (%)²	0.20	0.20	0.20
Trading expense ratio (%)³	0.01	0.01	–
Trading expense ratio before reimbursements (%)³	0.01	0.01	–
Portfolio turnover rate (%)⁴	–	28.71	n/a
Net asset value per unit (\$)	20.51	23.60	22.30
Closing market price (\$)⁵	20.51	23.61	22.30

(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. The Manager may reimburse the ETF for certain brokerage commissions and other transaction costs (including those payable to the custodian or its agents). The Manager 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 Toronto Stock Exchange.