

# MACKENZIE GLOBAL LEADERSHIP IMPACT ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE EQUITY ETF

## MANAGEMENT REPORT

### Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by Mackenzie Financial Corporation, as Manager of Mackenzie Global Leadership Impact ETF (the "ETF"). The Manager is responsible for the integrity, objectivity and reliability of the data presented. This responsibility includes selecting appropriate accounting principles and making judgments and estimates consistent with International Financial Reporting Standards. The Manager is also responsible for the development of internal controls over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors (the "Board") of Mackenzie Financial Corporation is responsible for reviewing and approving the financial statements and overseeing the Manager's performance of its financial reporting responsibilities. The Board is assisted in discharging this responsibility by an Audit Committee, which reviews the financial statements and recommends them for approval by the Board. The Audit Committee also meets regularly with the Manager, internal auditors and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues.

Deloitte LLP is the external auditor of the ETF. It is appointed by the Board. The external auditor has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express to the securityholders its opinion on the financial statements. Its report is set out below.

On behalf of Mackenzie Financial Corporation,  
Manager of the ETF



Barry McInerney  
President and Chief Executive Officer



Terry Rountes  
Chief Financial Officer, Funds

June 7, 2018

## INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Mackenzie Global Leadership Impact ETF (the "ETF")

We have audited the accompanying financial statements of the ETF which comprise the statement of financial position as at March 31, 2018, and the statement of comprehensive income, statement of changes in financial position and statement of cash flows for the period then ended, as indicated in Note 1, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the ETF as at March 31, 2018, and its financial performance and its cash flows for the period then ended, as indicated in Note 1, in accordance with International Financial Reporting Standards.



Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada  
June 7, 2018



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## STATEMENT OF FINANCIAL POSITION

*In thousands (except per unit figures)  
As at March 31*

	2018 \$
<b>ASSETS</b>	
<b>Current assets</b>	
Investments at fair value	6,064
Cash and cash equivalents	26
Dividends receivable	6
Accounts receivable for investments sold	16
Accounts receivable for securities issued	–
<b>Total assets</b>	<b>6,112</b>
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Accounts payable for investments purchased	32
Accounts payable for securities redeemed	–
Due to manager	12
<b>Total liabilities</b>	<b>44</b>
<b>Net assets attributable to unitholders</b>	<b>6,068</b>
<b>Net assets attributable to unitholders per series (note 3)</b>	
Series E	<b>6,068</b>
<b>Net assets attributable to unitholders per unit (note 3)</b>	
Series E	<b>30.34</b>

## STATEMENT OF COMPREHENSIVE INCOME

*For the period ended March 31 (note 1)  
In thousands (except per unit figures)*

	2018 \$
<b>Income</b>	
Dividends	47
Interest income	1
Other changes in fair value of investments	
Net realized gain (loss)	18
Net unrealized gain (loss)	35
<b>Total income (loss)</b>	<b>101</b>
<b>Expenses (note 6)</b>	
Management fees	13
Commissions and other portfolio transaction costs	13
Independent Review Committee fees	–
<b>Expenses before amounts absorbed by Manager</b>	<b>26</b>
Expenses absorbed by Manager	–
<b>Net expenses</b>	<b>26</b>
<b>Increase (decrease) in net assets attributable to unitholders from operations before tax</b>	<b>75</b>
Foreign withholding taxes	6
Foreign income taxes paid (recovered)	–
<b>Increase (decrease) in net assets attributable to unitholders from operations</b>	<b>69</b>
<b>Increase (decrease) in net assets attributable to unitholders from operations per series</b>	
Series E	<b>69</b>
<b>Increase (decrease) in net assets attributable to unitholders from operations per unit</b>	
Series E	<b>0.35</b>

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



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## STATEMENT OF CHANGES IN FINANCIAL POSITION

*For the period ended March 31 (note 1)  
In thousands*

	<b>2018</b>
	<b>Series E</b>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<b>\$</b>
<b>Beginning of period</b>	–
Increase (decrease) in net assets from operations	69
Distributions paid to unitholders:	
Investment income	(1)
Capital gains	–
Total distributions paid to unitholders	(1)
Unit transactions:	
Proceeds from units issued	6,000
Reinvested distributions	–
Value of units redeemed	–
Total unit transactions	6,000
<b>Total increase (decrease) in net assets</b>	<b>6,068</b>
<b>End of period</b>	<b>6,068</b>
<b>Increase (decrease) in units (note 7):</b>	<b>Units</b>
<b>Units outstanding – beginning of period</b>	–
Issued	200
Reinvested distributions	–
Redeemed	–
<b>Units outstanding – end of period</b>	<b>200</b>

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## STATEMENT OF CASH FLOWS

For the period ended March 31 (note 1)  
In thousands

	2018
	\$
<b>Cash flows from operating activities</b>	
Net increase (decrease) in net assets attributable to unitholders from operations	69
Adjustments for:	
Net realized loss (gain) on investments	(18)
Change in net unrealized loss (gain) on investments	(35)
Purchase of investments	(6,433)
Proceeds from sale and maturity of investments	438
Change in dividends receivable	(6)
Change in due to manager	12
<b>Net cash from operating activities</b>	<b>(5,973)</b>
<b>Cash flows from financing activities</b>	
Proceeds from redeemable securities issued	6,000
Payments on redemption of redeemable securities	–
Distributions paid net of reinvestments	(1)
<b>Net cash from financing activities</b>	<b>5,999</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>26</b>
Cash and cash equivalents at beginning of period	–
Effect of exchange rate fluctuations on cash and cash equivalents	–
<b>Cash and cash equivalents at end of period</b>	<b>26</b>
Cash	26
Cash equivalents	–
<b>Cash and cash equivalents at end of period</b>	<b>26</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>	
Dividends received	41
Foreign taxes paid	6
Interest received	1
Interest paid	–

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## SCHEDULE OF INVESTMENTS

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES</b>					
Abbott Laboratories	United States	Health Care	407	29	31
Accenture PLC Class A	United States	Information Technology	145	27	29
Accor SA	France	Consumer Discretionary	44	3	3
Admiral Group PLC	United Kingdom	Financials	48	2	2
Aegon NV	Netherlands	Financials	425	3	4
Aéroports de Paris	France	Industrials	7	2	2
Aetna Inc.	United States	Health Care	79	19	17
AGL Energy Ltd.	Australia	Utilities	154	4	3
Air Liquide SA	France	Materials	101	16	16
Akzo Nobel NV	Netherlands	Materials	60	7	7
Alfa Laval AB	Sweden	Industrials	70	2	2
Alkermes PLC	United States	Health Care	38	3	3
Alliant Energy Corp.	United States	Utilities	55	3	3
Allianz SE Reg.	Germany	Financials	105	32	31
The Allstate Corp.	United States	Financials	87	11	11
Ally Financial Inc.	United States	Financials	105	4	4
Alphabet Inc. Class A	United States	Information Technology	70	91	94
Alphabet Inc. Class C	United States	Information Technology	75	97	100
Alstom SA	France	Industrials	37	2	2
American Electric Power Co. Inc.	United States	Utilities	118	12	10
American Water Works Co. Inc.	United States	Utilities	1,174	135	123
Ameriprise Financial Inc.	United States	Financials	37	8	7
AmerisourceBergen Corp.	United States	Health Care	41	4	5
AMP Ltd.	Australia	Financials	5,141	27	25
Aon PLC	United States	Financials	64	12	12
Arista Networks Inc.	United States	Information Technology	11	3	4
Aristocrat Leisure Ltd.	Australia	Consumer Discretionary	127	3	3
Ashtead Group PLC	United Kingdom	Industrials	118	4	4
ASML Holding NV	Netherlands	Information Technology	91	20	23
Assicurazioni Generali SPA	Italy	Financials	296	7	7
AstraZeneca PLC	United Kingdom	Health Care	299	25	26
ASX Ltd.	Australia	Financials	46	3	3
ATCO Ltd. Class I non-voting	Canada	Utilities	19	1	1
Atlantia SPA	Italy	Industrials	109	5	4
Atlas Copco AB A	Sweden	Industrials	158	9	9
Atlas Copco AB B	Sweden	Industrials	94	5	5
Auckland International Airport Ltd.	New Zealand	Industrials	223	1	1
Aurizon Holdings Ltd.	Australia	Industrials	487	2	2
AusNet Services	Australia	Utilities	427	1	1
Australia and New Zealand Banking Group Ltd.	Australia	Financials	688	19	18
Auto Trader Group PLC	United Kingdom	Information Technology	232	1	1
Autodesk Inc.	United States	Information Technology	48	7	8
Avery Dennison Corp.	United States	Materials	23	3	3
AXA SA	France	Financials	463	18	16
Azieli Group Ltd.	Israel	Real Estate	10	1	1
Banco Santander SA	Spain	Financials	3,868	33	32
Bank Leumi Le-Israel	Israel	Financials	345	2	3
Bank of America Corp.	United States	Financials	2,366	87	91



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As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Bank of Montreal	Canada	Financials	151	15	15
The Bank of Nova Scotia	Canada	Financials	385	32	31
Bank of Queensland Ltd.	Australia	Financials	94	1	1
Bankinter SA	Spain	Financials	163	2	2
Barratt Developments PLC	United Kingdom	Consumer Discretionary	234	2	2
Bayerische Motoren Werke (BMW) AG	Germany	Consumer Discretionary	79	10	11
Bayerische Motoren Werke (BMW) AG Pfd.	Germany	Consumer Discretionary	13	1	2
Becton, Dickinson and Co.	United States	Health Care	64	18	18
Bendigo and Adelaide Bank Ltd.	Australia	Financials	111	1	1
Best Buy Co. Inc.	United States	Consumer Discretionary	89	7	8
Biogen Inc.	United States	Health Care	52	21	18
BlueScope Steel Ltd.	Australia	Materials	133	2	2
BNP Paribas SA	France	Financials	269	26	26
Boliden AB	Sweden	Materials	65	3	3
Boral Ltd.	Australia	Materials	275	2	2
Bouygues SA	France	Industrials	51	3	3
Brambles Ltd.	Australia	Industrials	376	4	4
The British Land Co. PLC	United Kingdom	Real Estate	233	3	3
Brown-Forman Corp. Class B non-voting	United States	Consumer Staples	64	4	4
Burberry Group PLC	United Kingdom	Consumer Discretionary	101	3	3
CaixaBank SA	Spain	Financials	840	5	5
Caltex Australia Ltd.	Australia	Energy	60	2	2
Cameco Corp.	Canada	Energy	93	1	1
Campbell Soup Co.	United States	Consumer Staples	45	3	3
Canadian Imperial Bank of Commerce	Canada	Financials	103	12	12
Canadian Utilities Ltd. Class A non-voting	Canada	Utilities	1,982	72	68
Capgemini SE	France	Information Technology	38	6	6
CapitaLand Commercial Trust	Singapore	Real Estate	580	1	1
Cardinal Health Inc.	United States	Health Care	80	6	6
Carrefour SA	France	Consumer Staples	139	4	4
CDW Corp. of Delaware	United States	Information Technology	36	3	3
Cisco Systems Inc.	United States	Information Technology	2,148	103	118
CIT Group Inc.	United States	Financials	38	2	3
Citizens Financial Group Inc.	United States	Financials	119	6	6
CK Asset Holdings Ltd.	Hong Kong	Real Estate	627	7	7
The Clorox Co.	United States	Consumer Staples	32	6	5
CMS Energy Corp.	United States	Utilities	67	4	4
CNP Assurances SA	France	Financials	40	1	1
Coca-Cola Amatil Ltd.	Australia	Consumer Staples	134	1	1
The Coca-Cola Co.	United States	Consumer Staples	965	56	54
Colgate Palmolive Co.	United States	Consumer Staples	202	19	19
Commonwealth Bank of Australia	Australia	Financials	823	63	59
Compagnie de Saint-Gobain	France	Industrials	121	9	8
Compagnie Generale des Etablissements Michelin B	France	Consumer Discretionary	40	7	8
ConocoPhillips	United States	Energy	271	18	21
Consolidated Edison Inc.	United States	Utilities	75	8	8
CSL Ltd.	Australia	Health Care	109	15	17
CSX Corp.	United States	Industrials	213	15	15



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Cummins Inc.	United States	Industrials	37	8	8
CVS Health Corp.	United States	Consumer Staples	244	23	20
Danone SA	France	Consumer Staples	145	15	15
Dassault Systemes SA	France	Information Technology	31	4	5
DAVITA Inc.	United States	Health Care	38	3	3
DBS Group Holdings Ltd.	Singapore	Financials	424	10	11
Deutsche Bank AG Reg.	Germany	Financials	513	12	9
Deutsche Boerse AG	Germany	Financials	45	6	8
Deutsche Lufthansa AG Reg.	Germany	Industrials	55	2	2
Deutsche Post AG Reg.	Germany	Industrials	231	14	13
Deutsche Telekom AG	Germany	Telecommunication Services	800	18	17
Dexus Property Group	Australia	Real Estate	242	2	2
Diageo PLC	United Kingdom	Consumer Staples	604	27	26
Discover Financial Services	United States	Financials	89	8	8
DnB ASA	Norway	Financials	1,125	26	28
Dollar General Corp.	United States	Consumer Discretionary	65	7	8
Dominion Resources Inc.	United States	Utilities	154	16	13
Duke Realty Corp.	United States	Real Estate	85	3	3
East West Bancorp Inc.	United States	Financials	35	3	3
easyJet PLC	United Kingdom	Industrials	513	13	15
Edenred	France	Industrials	53	2	2
Edison International	United States	Utilities	80	8	7
Eli Lilly and Co.	United States	Health Care	236	26	24
Elisa OYJ	Finland	Telecommunication Services	34	2	2
Emera Inc.	Canada	Utilities	14	1	1
Empire Co. Ltd. Class A non-voting	Canada	Consumer Staples	42	1	1
EMS-Chemie Holding AG	Switzerland	Materials	2	2	2
EnCana Corp.	Canada	Energy	210	3	3
Engie SA	France	Utilities	434	10	9
Entergy Corp.	United States	Utilities	44	5	4
Essilor International SA	France	Health Care	49	8	9
Essity Aktiebolag Class B	Sweden	Consumer Staples	144	5	5
The Estée Lauder Companies Inc. Class A	United States	Consumer Staples	649	103	124
Eurazeo SA	France	Financials	10	1	1
Evonik Industries AG	Germany	Materials	39	2	2
EXOR SPA	Netherlands	Financials	26	2	2
Facebook Inc.	United States	Information Technology	562	126	116
Federal Realty Investment Trust	United States	Real Estate	19	3	3
First Capital Realty Inc.	Canada	Real Estate	40	1	1
First Republic Bank	United States	Financials	40	5	5
Fonciere des Regions	France	Real Estate	8	1	1
Fortescue Metals Group Ltd.	Australia	Materials	371	2	2
Fortis Inc.	Canada	Utilities	97	5	4
Fortum OYJ	Finland	Utilities	101	3	3
Frutarom Industries Ltd.	Israel	Materials	9	1	1
The Gap Inc.	United States	Consumer Discretionary	55	2	2
Gecina SA	France	Real Estate	11	2	2
General Mills Inc.	United States	Consumer Staples	585	42	34



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## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Genmab AS	Denmark	Health Care	14	3	4
George Weston Ltd.	Canada	Consumer Staples	14	2	1
Getinge AB	Sweden	Health Care	55	1	1
GGP Inc.	United States	Real Estate	150	4	4
Gjensidige Forsikring ASA	Norway	Financials	719	17	17
GlaxoSmithKline PLC	United Kingdom	Health Care	1,170	26	29
Goldcorp Inc.	Canada	Materials	205	3	4
GPT Group Stapled Securities	Australia	Real Estate	427	2	2
Groupe Bruxelles Lambert SA*	Belgium	Financials	19	3	3
Groupe Eurotunnel SA	France	Industrials	112	2	2
H&R Block Inc.	United States	Consumer Discretionary	52	2	2
Hang Seng Bank Ltd.	Hong Kong	Financials	184	6	5
The Hartford Financial Services Group Inc.	United States	Financials	284	21	19
Hasbro Inc.	United States	Consumer Discretionary	27	3	3
Healthscope Ltd.	Australia	Health Care	408	1	1
Heineken Holding NV A	Netherlands	Consumer Staples	27	3	4
Heineken NV	Netherlands	Consumer Staples	62	8	9
Henkel AG & Co. KGaA Pfd.	Germany	Consumer Staples	43	7	7
Henkel AG & Co. KGaA	Germany	Consumer Staples	25	4	4
Hennes & Mauritz AB B	Sweden	Consumer Discretionary	621	18	12
Hermes International	France	Consumer Discretionary	7	5	5
The Hershey Co.	United States	Consumer Staples	36	5	5
Hewlett Packard Enterprise Co.	United States	Information Technology	383	7	9
Hexagon AB B	Sweden	Information Technology	62	4	5
Hilton Inc.	United States	Consumer Discretionary	46	5	5
Hologic Inc.	United States	Health Care	67	3	3
The Home Depot Inc.	United States	Consumer Discretionary	276	64	63
Host Hotels & Resorts Inc.	United States	Real Estate	176	4	4
HP Inc.	United States	Information Technology	396	11	11
Huntington Ingalls Industries Inc.	United States	Industrials	11	3	4
Husqvarna AB-B	Sweden	Consumer Discretionary	98	1	1
Hydro One Inc.	Canada	Utilities	171	4	4
ICA Gruppen AB	Sweden	Consumer Staples	19	1	1
ICADE	France	Real Estate	8	1	1
IDEXX Laboratories Inc.	United States	Health Care	20	4	5
Iliad SA	France	Telecommunication Services	6	2	2
Imperial Oil Ltd.	Canada	Energy	68	3	2
Industrial Alliance Insurance and Financial Services Inc.	Canada	Financials	25	2	1
Industrivarden AB Class C	Sweden	Financials	41	1	1
Ingenico SA	France	Information Technology	14	2	1
Ingredion Inc.	United States	Consumer Staples	199	34	33
Innogy SE	Germany	Utilities	33	2	2
Insurance Australia Group Ltd.	Australia	Financials	566	4	4
Intact Financial Corp.	Canada	Financials	421	45	41
InterContinental Hotels Group PLC	United Kingdom	Consumer Discretionary	43	3	3
International Business Machines Corp.	United States	Information Technology	210	41	42
International Flavors & Fragrances Inc.	United States	Materials	20	4	4
The Interpublic Group of Companies Inc.	United States	Consumer Discretionary	96	2	3



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As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Intertek Group PLC	United Kingdom	Industrials	38	3	3
Intuit Inc.	United States	Information Technology	537	116	119
Investor AB B	Sweden	Financials	301	18	17
Ipsen SA	France	Health Care	9	1	2
Iron Mountain Inc.	United States	Real Estate	63	3	3
J.M. Smucker Co.	United States	Consumer Staples	28	4	4
The Jean Coutu Group (PJC) Inc. Class A Sub. voting	Canada	Consumer Staples	21	1	1
Johnson & Johnson	United States	Health Care	628	112	104
Jones Lang LaSalle Inc.	United States	Real Estate	12	2	3
Kellogg Co.	United States	Consumer Staples	1,499	126	125
Kering	France	Consumer Discretionary	139	79	86
KeyCorp	United States	Financials	4,572	114	114
Kimberly-Clark Corp.	United States	Consumer Staples	85	13	12
Kingfisher PLC	United Kingdom	Consumer Discretionary	577	3	3
Kinross Gold Corp.	Canada	Materials	302	2	2
Klepierre	France	Real Estate	52	3	3
Kohl's Corp.	United States	Consumer Discretionary	40	2	3
Kone OYJ B	Finland	Industrials	80	5	5
Koninklijke DSM NV	Netherlands	Materials	42	5	5
Koninklijke Philips NV	Netherlands	Health Care	225	11	11
The Kroger Co.	United States	Consumer Staples	209	7	6
Lagardere SCA	France	Consumer Discretionary	28	1	1
Land Securities Group PLC	United Kingdom	Real Estate	175	3	3
Legal & General Group PLC	United Kingdom	Financials	1,401	6	7
Legrand SA	France	Industrials	445	42	45
Leidos Holdings Inc.	United States	Information Technology	35	3	3
The Link Real Estate Investment Trust	Hong Kong	Real Estate	533	6	6
Loblaw Companies Ltd.	Canada	Consumer Staples	53	4	3
L'Oréal SA	France	Consumer Staples	60	17	17
Lululemon Athletica Inc.	United States	Consumer Discretionary	25	2	3
Lundin Petroleum AB	Sweden	Energy	44	1	1
Macquarie Group Ltd.	Australia	Financials	228	22	23
Macy's Inc.	United States	Consumer Discretionary	878	28	34
Manpower Inc.	United States	Industrials	17	3	3
Manulife Financial Corp.	Canada	Financials	457	12	11
MAP Group	Australia	Industrials	261	2	2
Marine Harvest ASA	Norway	Consumer Staples	99	2	3
Marks & Spencer Group PLC	United Kingdom	Consumer Discretionary	391	2	2
Marriott International Inc. Class A	United States	Consumer Discretionary	384	62	67
Martin Marietta Materials Inc.	United States	Materials	16	4	4
MasterCard Inc. Class A	United States	Information Technology	221	42	50
McCormick & Co. Inc. non-voting	United States	Consumer Staples	30	4	4
McKesson Corp.	United States	Health Care	52	10	9
Medibank Private Ltd.	Australia	Financials	656	2	2
Medtronic PLC	United States	Health Care	322	33	33
Meridian Energy Ltd.	New Zealand	Utilities	302	1	1
Merlin Entertainments PLC	United Kingdom	Consumer Discretionary	169	1	1
Methanex Corp.	Canada	Materials	19	1	1



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## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
MetLife Inc.	United States	Financials	214	15	13
Metro Inc.	Canada	Consumer Staples	56	2	2
Michael Kors Holdings Ltd.	United States	Consumer Discretionary	972	76	78
Micro Focus International PLC	United Kingdom	Information Technology	106	5	2
Microsoft Corp.	United States	Information Technology	1,723	185	202
Mighty River Power Ltd.	New Zealand	Utilities	200	1	1
Mirvac Group Stapled Securities	Australia	Real Estate	5,313	13	11
Mizrahi Tefahot Bank Ltd.	Israel	Financials	33	1	1
Mondelez International Inc.	United States	Consumer Staples	363	20	20
Moody's Corp.	United States	Financials	41	8	9
MSCI Inc. Class A	United States	Financials	22	4	4
MTR Corp. Ltd.	Hong Kong	Industrials	359	3	2
Muenchener Rueckversicherungs - Gesellschaft AG (MunichRe)	Germany	Financials	36	10	11
National Australia Bank Ltd.	Australia	Financials	633	18	18
National Bank of Canada	Canada	Financials	189	12	11
National Grid PLC	United Kingdom	Utilities	817	12	12
Neste Oil OYJ	Finland	Energy	30	2	3
Newmont Mining Corp.	United States	Materials	417	20	21
Next PLC	United Kingdom	Consumer Discretionary	35	3	3
Nokia Renkaat OYJ	Finland	Consumer Discretionary	28	2	2
Nordea Bank AB	Sweden	Financials	714	11	10
Nordstrom Inc.	United States	Consumer Discretionary	32	2	2
Norsk Hydro ASA	Norway	Materials	1,965	17	15
Occidental Petroleum Corp.	United States	Energy	176	16	15
Old Mutual PLC	United Kingdom	Financials	1,158	4	5
Omnicom Group Inc.	United States	Consumer Discretionary	56	5	5
Oracle Corp.	United States	Information Technology	794	50	47
Orange SA	France	Telecommunication Services	480	11	10
Orion OYJ	Finland	Health Care	25	1	1
Orkla ASA	Norway	Consumer Staples	192	2	3
Orsted A/S	Denmark	Utilities	44	3	4
PepsiCo Inc.	United States	Consumer Staples	342	51	48
Phillips 66	United States	Energy	102	13	13
PNC Financial Services Group Inc.	United States	Financials	114	21	22
Poste Italiane SPA	Italy	Financials	125	1	1
PrairieSky Royalty Ltd.	Canada	Energy	49	2	1
Principal Financial Group Inc.	United States	Financials	1,526	136	119
The Procter & Gamble Co.	United States	Consumer Staples	1,183	131	120
The Progressive Corp.	United States	Financials	136	9	11
Proximus SA	Belgium	Telecommunication Services	36	2	1
Publicis Groupe SA	France	Consumer Discretionary	52	4	5
PVH Corp.	United States	Consumer Discretionary	18	3	4
Quest Diagnostics Inc.	United States	Health Care	33	4	4
Randstad Holding NV	Netherlands	Industrials	29	2	2
Rea Group Ltd.	Australia	Information Technology	12	1	1
Realty Income Corp.	United States	Real Estate	67	5	4
Recordati SPA	Italy	Health Care	25	1	1
Red Electrica Corporacion SA	Spain	Utilities	104	3	3



**MACKENZIE**  
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# MACKENZIE GLOBAL LEADERSHIP IMPACT ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE EQUITY ETF

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Reinsurance Group of America Inc.	United States	Financials	16	3	3
Remy Cointreau SA	France	Consumer Staples	5	1	1
Renault SA	France	Consumer Discretionary	46	6	7
Rexel SA	France	Industrials	72	2	2
Royal Bank of Canada	Canada	Financials	470	48	47
The Royal Bank of Scotland Group PLC	United Kingdom	Financials	830	4	4
Royal Mail PLC	United Kingdom	Industrials	1,027	7	10
Ryman Healthcare Ltd.	New Zealand	Health Care	94	1	1
S&P Global Inc.	United States	Financials	61	13	15
Salesforce.com Inc.	United States	Information Technology	166	22	25
Sampo OYJ A	Finland	Financials	105	7	8
Sandvik AB	Sweden	Industrials	262	6	6
Sanofi	France	Health Care	275	31	28
Saputo Inc.	Canada	Consumer Staples	52	2	2
Scentre Group	Australia	Real Estate	1,262	5	5
Schibsted ASA	Norway	Consumer Discretionary	21	1	1
Schneider Electric SE	France	Industrials	133	14	15
Securitas AB B	Sweden	Industrials	76	2	2
Seek Ltd.	Australia	Industrials	79	1	1
Sempra Energy	United States	Utilities	175	27	25
Severn Trent PLC	United Kingdom	Utilities	58	2	2
Shire PLC	United States	Health Care	217	14	14
Siemens AG	Germany	Industrials	180	31	30
Siemens Gamesa Renewable Energy SA	Spain	Industrials	57	1	1
Singapore Press Holdings Ltd.	Singapore	Consumer Discretionary	381	1	1
Singapore Telecommunications Ltd.	Singapore	Telecommunication Services	20,715	73	69
Skandinaviska Enskilda Banken AB (SEB) A	Sweden	Financials	366	5	5
Skanska AB	Sweden	Industrials	83	2	2
Snam SPA	Italy	Energy	542	3	3
Societe BIC SA	France	Industrials	7	1	1
Societe Generale	France	Financials	183	12	13
Sodexo SA	France	Consumer Discretionary	111	18	14
Solvay SA	Belgium	Materials	17	3	3
Southwest Airlines Co.	United States	Industrials	37	3	3
Spark New Zealand Ltd.	New Zealand	Telecommunication Services	428	1	1
Standard Chartered PLC	United Kingdom	Financials	790	10	10
Stanley Black & Decker Inc.	United States	Industrials	36	8	7
Starbucks Corp.	United States	Consumer Discretionary	339	25	25
Statoil ASA	Norway	Energy	262	7	8
Stora Enso OYJ R	Finland	Materials	133	3	3
Stryker Corp.	United States	Health Care	81	16	17
Suez Environnement SA	France	Utilities	88	2	2
Sun Life Financial Inc.	Canada	Financials	145	7	8
Suncorp Group Ltd.	Australia	Financials	308	4	4
Suntec Real Estate Investment Trust	Singapore	Real Estate	602	1	1
Svenska Handelsbanken AB A	Sweden	Financials	374	6	6
Swedbank AB	Sweden	Financials	3,256	101	94
Symantec Corp.	United States	Information Technology	146	5	5



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## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Synchrony Financial	United States	Financials	186	9	8
Tabcorp Holdings Ltd.	Australia	Consumer Discretionary	460	2	2
Tapestry Inc.	United States	Consumer Discretionary	67	4	5
Target Corp.	United States	Consumer Discretionary	1,342	103	119
Taylor Wimpey PLC	United Kingdom	Consumer Discretionary	782	3	3
TDC AS	Denmark	Telecommunication Services	191	1	2
Tele2 AB	Sweden	Telecommunication Services	1,378	22	21
Telefonaktiebolaget LM Ericsson B	Sweden	Information Technology	4,315	34	35
Telefonica Deutschland Holding AG	Germany	Telecommunication Services	5,117	31	31
Telenet Group Holding NV	Belgium	Consumer Discretionary	13	1	1
Telenor ASA	Norway	Telecommunication Services	178	5	5
TeliaSonera AB	Sweden	Telecommunication Services	8,741	50	53
Telstra Corp. Ltd.	Australia	Telecommunication Services	988	3	3
Tesaro Inc.	United States	Health Care	9	1	1
Tesco PLC	United Kingdom	Consumer Staples	1,931	7	7
Texas Instruments Inc.	United States	Information Technology	807	100	108
Tiffany & Co.	United States	Consumer Discretionary	30	4	4
The TJX Companies Inc.	United States	Consumer Discretionary	148	14	16
The Toronto-Dominion Bank	Canada	Financials	432	32	32
Total SA	France	Energy	561	40	41
TransCanada Corp.	Canada	Energy	211	13	11
Transurban Group Stapled Securities	Australia	Industrials	536	6	6
The Travelers Companies Inc.	United States	Financials	67	12	12
TUI AG	Germany	Consumer Discretionary	105	2	3
Twitter Inc.	United States	Information Technology	159	4	6
Tyson Foods Inc. Class A	United States	Consumer Staples	70	7	7
U.S. Bancorp	United States	Financials	398	28	26
UBS Group AG	Switzerland	Financials	871	19	20
UCB SA	Belgium	Health Care	30	3	3
UDR Inc.	United States	Real Estate	64	3	3
Ulta Beauty Inc.	United States	Consumer Discretionary	329	89	87
Unibail-Rodamco	France	Real Estate	24	8	7
Unilever NV CVA	United Kingdom	Consumer Staples	387	28	28
Unilever PLC	United Kingdom	Consumer Staples	302	22	22
United Parcel Service Inc. (UPS) Class B	United States	Industrials	161	25	22
United Therapeutics Corp.	United States	Health Care	12	2	2
United Utilities Group PLC	United Kingdom	Utilities	165	2	2
Unum Group	United States	Financials	52	4	3
UPM-Kymmene OYJ	Finland	Materials	125	5	6
Vail Resorts Inc.	United States	Consumer Discretionary	11	3	3
Valeo SA	France	Consumer Discretionary	56	5	5
Valero Energy Corp.	United States	Energy	101	11	12
Varian Medical Systems Inc.	United States	Health Care	23	3	4
Vertex Pharmaceuticals Inc.	United States	Health Care	60	11	13
Vestas Wind Systems AS	Denmark	Industrials	50	4	5
Viacom Inc. Class B	United States	Consumer Discretionary	1,050	38	42
Vicinity Centres	Australia	Real Estate	797	2	2
Visa Inc. Class A	United States	Information Technology	426	60	66



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## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Vodafone Group PLC	United Kingdom	Telecommunication Services	6,359	25	22
Volvo AB Class B	Sweden	Industrials	365	9	9
Voya Financial Inc.	United States	Financials	43	2	3
Walgreens Boots Alliance Inc.	United States	Consumer Staples	217	20	18
The Walt Disney Co.	United States	Consumer Discretionary	362	49	47
WEC Energy Group Inc.	United States	Utilities	75	7	6
The Weir Group PLC	United Kingdom	Industrials	52	2	2
Wendel	France	Financials	7	1	1
Weyerhaeuser Co.	United States	Real Estate	178	8	8
Whitbread PLC	United Kingdom	Consumer Discretionary	45	3	3
Willis Towers Watson PLC	United States	Financials	31	6	6
Wolters Kluwer NV	Netherlands	Industrials	1,596	106	109
Woolworths Ltd.	Australia	Consumer Staples	302	8	8
Wyndham Worldwide Corp.	United States	Consumer Discretionary	25	4	4
Xerox Corp.	United States	Information Technology	50	2	2
Yara International ASA	Norway	Materials	43	2	2
Zayo Group Holdings Inc.	United States	Telecommunication Services	44	2	2
Zurich Insurance Group AG	Switzerland	Financials	36	14	15
<b>Total equities</b>				<b>6,019</b>	<b>6,048</b>
<b>EXCHANGE-TRADED FUNDS/NOTES</b>					
iShares Core MSCI EAFE ETF	United States	Exchange-Traded Funds/Notes	72	6	6
iShares Core S&P 500 ETF	United States	Mutual Funds	30	10	10
<b>Total exchange-traded funds/notes</b>				<b>16</b>	<b>16</b>
Transaction costs				(5)	–
<b>Total investments</b>				<b>6,030</b>	<b>6,064</b>
Cash and cash equivalents					26
Other assets less liabilities					(22)
<b>Total net assets</b>					<b>6,068</b>

\* Related to Mackenzie. See Note 1.



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# MACKENZIE GLOBAL LEADERSHIP IMPACT ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE EQUITY ETF

## SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2018

<b>Portfolio Allocation</b>	<b>% of NAV</b>
Equities	99.7
Cash and short-term investments	0.4
Other assets (liabilities)	(0.1)

<b>Regional Allocation</b>	<b>% of NAV</b>
United States	61.6
France	7.5
Canada	5.3
Sweden	5.0
United Kingdom	4.5
Australia	4.0
Germany	3.0
Netherlands	2.9
Singapore	1.4
Norway	1.3
Other	1.1
Spain	0.7
Switzerland	0.6
Finland	0.5
Cash and short-term investments	0.4
Hong Kong	0.3
Other assets (liabilities)	(0.1)

<b>Sector Allocation</b>	<b>% of NAV</b>
Financials	22.2
Information technology	20.5
Consumer staples	13.9
Consumer discretionary	13.8
Health care	7.7
Industrials	6.6
Utilities	5.4
Telecommunication services	4.0
Energy	2.3
Materials	1.8
Real estate	1.5
Cash and short-term investments	0.4
Other assets (liabilities)	(0.1)



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## NOTES TO FINANCIAL STATEMENTS

### 1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the periods ended or as at March 31, 2018 and 2017, 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 audited annual financial statements (“financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). 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 June 7, 2018.

Standards issued but not yet effective for the current accounting year, as applicable, are described in Note 3.

### 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 – 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 year-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.

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.

## NOTES TO FINANCIAL STATEMENTS

### 3. Significant Accounting Policies (cont'd)

#### (a) Financial instruments (cont'd)

The ETF accounts for its holdings in unlisted open-ended investment funds and exchange-traded funds, if any, at fair value through profit and loss. 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 – 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 futures contracts or swaps. 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 March 31, 2018.

#### (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.



## NOTES TO FINANCIAL STATEMENTS

### 3. Significant Accounting Policies (cont'd)

(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 expenses absorbed by Manager in the Statement of Comprehensive Income.

(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 – 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 for subscription 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 an integral 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 March 31, 2018 and 2017 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 March 31, 2018, 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.

## 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.

# MACKENZIE GLOBAL LEADERSHIP IMPACT ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE EQUITY 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 Statement of Changes in Financial Position.

Series E units were listed on the Aequitas NEO Exchange under the symbol MWMN on December 4, 2017. The closing market price, or the midpoint of the bid and ask prices in the absence of a closing market price, at March 31, 2018 was \$30.39.

The management fee rate for Series E units is 0.60%.

As at March 31, 2018, the ETF's NAV per unit was \$30.39 and its Net Assets per unit calculated in accordance with IFRS was \$30.34.

#### (b) Investments by Mackenzie and Affiliates

As at March 31, 2018, Mackenzie had an investment \$3,039 in the ETF.

#### (c) Loss Carryforwards

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

#### (d) Securities Lending

The value of securities loaned and collateral received from securities lending at March 31, 2018 were as follows:

	<u>March 31, 2018</u>
	(\$)
Value of securities loaned	6
Value of collateral received	6

Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments and financial institutions.

#### (e) Offsetting of Financial Assets and Liabilities

As at March 31, 2018, there were no amounts subject to offsetting.

#### (f) Risks Associated with Financial Instruments

##### *i. Risk exposure and management*

The ETF seeks long-term capital growth by investing primarily in companies that promote gender diversity and women's leadership, anywhere in the world.

# MACKENZIE GLOBAL LEADERSHIP IMPACT ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE EQUITY ETF

## NOTES TO FINANCIAL STATEMENTS

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

#### (f) Risks Associated with Financial Instruments (cont'd)

##### *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.

Currency	March 31, 2018			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	3,742	3	–	3,745
Euro	943	2	–	945
Swedish krona	306	6	–	312
British pound	259	–	–	259
Australian dollar	243	1	–	244
Singapore dollar	83	–	–	83
Norwegian krone	82	–	–	82
Swiss franc	37	–	–	37
Hong Kong dollar	20	–	–	20
Danish krone	15	–	–	15
Israeli shekel	6	–	–	6
New Zealand dollar	5	–	–	5
Total	5,741	12	–	5,753
% of Net Assets	94.6	0.2	–	94.8

\* Includes both monetary and non-monetary financial instruments

As at March 31, 2018, 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 \$288 or 4.7% of total net assets. In practice, the actual trading results may differ and the difference could be material.

##### *iii. Interest rate risk*

As at March 31, 2018, the ETF did not have a significant exposure to interest rate risk.

##### *iv. Other price risk*

The ETF's most significant exposure to price risk arises from its investment in equity securities, exchange-traded funds/notes and mutual funds. As at March 31, 2018, 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 \$606 or 10.0% of total net assets. In practice, the actual trading results may differ and the difference could be material.

##### *v. Credit risk*

As at March 31, 2018, the ETF did not have a significant exposure to credit risk.

# MACKENZIE GLOBAL LEADERSHIP IMPACT ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE EQUITY ETF

## NOTES TO FINANCIAL STATEMENTS

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

#### (g) 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.

	March 31, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	6,048	–	–	6,048
Exchange-traded funds/notes	16	–	–	16
Total	6,064	–	–	6,064

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.



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