

Annual Management Report of Fund Performance

For the Year Ended March 31, 2018

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. Every effort has been made to ensure that the information contained in this report is accurate as of the dates indicated in the report; however, the ETF cannot guarantee the accuracy or the completeness of this material. 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 values 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 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.



Management Discussion of Fund Performance

June 7, 2018

This Management Discussion of Fund Performance presents the portfolio management team's view on the significant factors and developments during the period ended March 31, 2018, that have affected the ETF's performance and outlook. If the ETF was established during the period, "period" represents the period from inception to the end of the fiscal period. For information on the ETF's longer-term performance, as applicable, please refer to the *Past Performance* section of the report. In this report, "Mackenzie" refers 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.

Investment Objective and Strategies

The ETF seeks to generate current income by investing primarily in floating-rate debt instruments and/or high-yield debt securities of issuers located anywhere in the world.

The ETF invests in senior loans, which are generally rated below investment grade debt. Settlement periods for senior secured loans may be longer than for other types of debt securities, such as corporate bonds. The ETF is not a substitute for holding cash or money market securities.

Risk

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

The ETF is suitable for short- to medium-term investors looking for the current income potential of floating-rate instruments linked to interest rate changes to hold as part of their portfolio to diversify their fixed income holdings, 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 year, the ETF returned 7.5% (after deducting fees and expenses). This compares with a return of 1.4% for the ETF's broad-based index, the FTSE TMX Canada Universe Bond Index, and a return of 3.8% for the ETF's narrow index, the S&P/LSTA Leveraged Loan (Hedged) Index. All index returns are calculated on a total return basis in Canadian dollar terms. Investors cannot invest in the index without incurring fees, expenses and commissions, which are not reflected in the index returns.

A generally strong global economy and low default rates contributed to positive total returns for term loans. The three-month London interbank offered rate ("LIBOR") rose to 2.31% from 1.15% over the year as a result of the increasing federal funds rate and short-term borrowing needs in the United States. However, the significant amount of refinancing during the year generally allowed borrowers to reduce their interest costs. Term loans rated "CCC" outperformed higher-rated issues, while second-lien and middle-market loans also performed strongly.

The ETF outperformed the broad-based index because of its exposure to term loans, which are not held in this index. Given the ETF's mandate, the return of the narrow index is a more meaningful comparison.

The ETF outperformed the narrow index primarily because of its overweight exposure to mid-market loans and loans rated "B". Underweight exposure to loans rated "BB" and to the retail industry also contributed to performance.

The ETF hedged most of its foreign currency exposure, which contributed to absolute performance primarily as the U.S. dollar depreciated relative to the Canadian dollar.

Over the year, portfolio activity and market effect resulted in new exposure to Colombia, while exposure to Canada and the United States decreased. At the sector level, exposure to term loans decreased.

Net Assets

The ETF's NAV increased by 1,203.7% to \$355.5 million at March 31, 2018, from \$27.3 million at March 31, 2017. This change was composed primarily of \$15.2 million in net income (including dividend and interest income) from investment performance, after deducting fees and expenses, \$324.4 million in net sales, and \$11.3 million in cash distributions.

At March 31, 2018, 27.8% of the ETF's NAV was held by investors that individually owned 10% or more of the ETF. See also *Other Related Party Transactions* for the percentage of the ETF's NAV owned by funds managed by Mackenzie and funds managed by affiliates of Mackenzie. 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 managers will need to become more selective when investing in term loans, as with other risk assets. Several factors could disrupt economic growth and investor sentiment. Protectionist trade policy, higher inflation, continued increases in the federal funds rate and an ultimate unwinding of the U.S. Federal Reserve's balance sheet all present risks to the fixed income market. In general, the team believes any upward pressure on short- and mid-term yields will eventually have a negative effect on the global economy because of the significant amount of debt outstanding.

During the year, the difference between loan and high-yield bond yields nearly reached multi-year lows. The team believes this situation could correct somewhat if high-yield bonds continue to be affected by concerns about rising interest rates.

Related Party Transactions

The following arrangements result in fees paid by the ETF to Mackenzie or to companies affiliated with the ETF.

Management Fees

The management expense ratio ("MER") for the ETF of 0.74% during the year ended March 31, 2018, was slightly lower than the annualized MER of 0.75% for the period ended March 31, 2017. The ETF paid management fees to Mackenzie at the annual rate of 0.65%.



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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 Mackenzie 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 invest in the ETF in accordance with the investment objectives of those funds. Investment funds managed by Counsel Portfolio Services Inc., an affiliate of Mackenzie, also invest in the ETF. At March 31, 2018, funds managed by Mackenzie owned 15.4% of the ETF's NAV, and funds managed by Counsel Portfolio Services Inc. owned 1.6% of the ETF's NAV. All related party transactions are based on the current market price.

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.

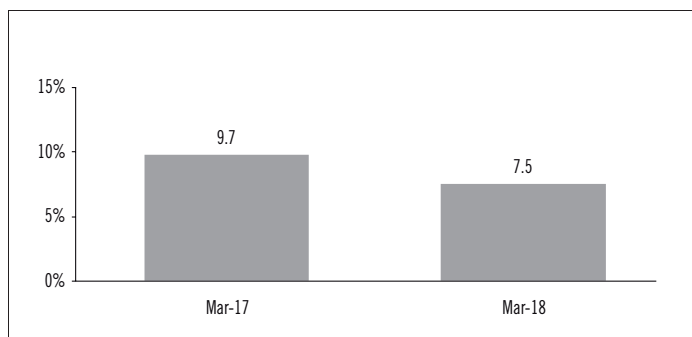
Past Performance

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 sales, redemption, distribution or optional charges, 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 redeem from the ETF, thereby ensuring that you are not taxed on this amount again. Please consult your tax adviser 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 19, 2016), 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, 2018. 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 distributions are reinvested.

Percentage Return:	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Mackenzie Floating Rate Income ETF	7.5	n/a	n/a	n/a	8.8
FTSE TMX Canada Universe Bond Index*	1.4	n/a	n/a	n/a	1.5
S&P/LSTA Leveraged Loan (Hedged) Index	3.8	n/a	n/a	n/a	6.2

* Broad-based index

The FTSE TMX Canada Universe Bond Index is a broad measure of Canadian bonds with terms to maturity of more than one year. It includes federal, provincial, municipal and corporate bonds rated "BBB" or higher.

The S&P/LSTA Leveraged Loan (Hedged) Index is a broad index designed to reflect the performance of U.S. dollar facilities in the leverage loan market. The foreign currency exposure is hedged back to the Canadian dollar.



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Summary of Investment Portfolio at March 31, 2018

Portfolio Allocation	% of NAV
Bonds	97.6
<i>Bonds</i>	97.6
<i>Purchased options*</i>	0.0
Cash and short-term investments	13.8
Equities	0.1
Other assets (liabilities)	(11.5)

Regional Allocation	% of NAV
United States	81.6
Cash and short-term investments	13.8
Canada	8.8
Netherlands	2.6
Colombia	1.3
United Kingdom	1.2
Brazil	0.9
Luxembourg	0.9
France	0.1
Israel	0.1
Italy	0.1
Venezuela	0.1
Other assets (liabilities)	(11.5)

Sector Allocation	% of NAV
Term loans	93.1
Cash and short-term investments	13.8
Corporate bonds	4.5
Financials	0.1
Other assets (liabilities)	(11.5)

Net Currency Exposure	% of NAV
Canadian dollar	86.7
U.S. dollar	12.3
Euro	1.0

Bonds by Credit Rating**	% of NAV
BBB	0.8
BB	16.7
B	58.7
Less than B	2.7
Unrated	18.7

* Notional principal values represent 1.0% of NAV for purchased options.

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

Top 25 Holdings

Issuer	% of NAV
Cash and short-term investments	13.8
Integro Ltd. United States Term Loan B1 1st Lien F/R 10-31-2022	1.7
Star West Generation LLC Term Loan B 1st Lien F/R 03-13-2020	1.7
WellDyneDx Inc. Term Loan 1st Lien F/R 08-16-2022	1.5
Uber Technologies Inc. Term Loan B 1st Lien F/R 07-13-2023	1.4
Fairmount Santrol Term Loan B 1st Lien F/R 11-01-2022	1.4
Prospect Medical Holdings Inc. Term Loan B 1st Lien F/R 02-15-2024	1.4
Boardriders Inc. Term Loan B 1st Lien F/R 03-21-2024	1.4
Careerbuilder LLC Term Loan 1st Lien F/R 07-31-2023	1.4
Uber Technologies Inc. Term Loan 1st Lien F/R 03-21-2025	1.3
LifeMiles Ltd. Term Loan B 1st Lien F/R 08-18-2022	1.3
DBRS Ltd. Term Loan 1st Lien F/R 03-04-2022	1.3
Green Plains Inc. Term Loan B 1st Lien F/R 08-29-2023	1.3
Research Now Group Inc. Term Loan 1st Lien F/R 12-20-2024	1.3
Renfro Corp. Term Loan B 1st Lien F/R 03-31-2021	1.2
Western Dental Services Inc. Term Loan B 1st Lien F/R 06-23-2023	1.2
Livingston International Inc. Term Loan 1st Lien F/R 03-18-2020	1.2
Amneal Pharmaceuticals LLC Term loan B 1st Lien F/R 03-23-2025	1.2
Drive DeVilbiss Healthcare Ltd. Term Loan 1st Lien F/R 01-03-2023	1.1
EagleTree-Carbide Acquisition Corp. Term Loan 1st Lien F/R 08-28-2024	1.1
Office Depot Inc. Term Loan B 1st Lien F/R 11-08-2022	1.1
The Pasha Group Term Loan B 1st Lien F/R 12-13-2022	1.1
Meredith Corp. Term Loan B 1st Lien F/R 01-18-2025	1.1
Digicert Holdings Inc. Term Loan 1st Lien F/R 09-20-2024	1.1
Traverse Midstream Partners LLC Term Loan B 1st Lien F/R 09-21-2024	1.1

Top long positions as a percentage of total net asset value

44.7

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

The investments and percentages may have changed since March 31, 2018, 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

Series E (Ticker: MFT)	Mar. 31 2018	Mar. 31 2017
Net assets, beginning of period	20.98	20.00
Increase (decrease) from operations:		
Total revenue	1.34	0.99
Total expenses	(0.09)	(0.18)
Realized gains (losses) for the period	0.14	0.32
Unrealized gains (losses) for the period	0.30	0.86
Total increase (decrease) from operations²	1.69	1.99
Distributions:		
From net investment income (excluding dividends)	0.97	(0.98)
From dividends	—	—
From capital gains	0.29	(0.12)
Return of capital	—	—
Total annual distributions³	1.26	(1.10)
Net assets, end of period	21.42	20.98

(1) These calculations are prescribed by securities regulations and are not intended to be a reconciliation between opening and closing net assets per unit. This information is derived from the ETF's audited annual financial statements. The net assets per unit presented in the financial statements may differ from the net asset value per unit calculated for ETF pricing purposes. An explanation of these differences 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

Series E (Ticker: MFT)	Mar. 31 2018	Mar. 31 2017
Total net asset value (\$000)¹	355,532	27,270
Units outstanding (000)¹	16,600	1,300
Management expense ratio (%)²	0.74	0.75
Management expense ratio before waivers or absorptions (%)²	0.74	0.75
Trading expense ratio (%)³	0.00	0.00
Trading expense ratio before reimbursements (%)³	0.00	0.00
Portfolio turnover rate (%)⁴	96.45	n/a
Net asset value per unit (\$)	21.41	20.98
Closing market price (\$)⁵	21.53	21.06

(1) This information is provided as at the end of the fiscal period shown.

(2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. If the ETF was established in the period, the management expense ratio is annualized from the date of inception. Mackenzie 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 represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. 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 an 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 an 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.



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