

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE FIXED INCOME 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 High Yield Fixed Income 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 High Yield Fixed Income 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



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE FIXED INCOME ETF

## 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	169,682
Cash and cash equivalents	14,153
Accrued interest receivable	2,357
Dividends receivable	15
Accounts receivable for investments sold	8,905
Accounts receivable for securities issued	–
Unrealized gains on derivative contracts	703
<b>Total assets</b>	<b>195,815</b>
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Accounts payable for investments purchased	3,706
Accounts payable for securities redeemed	–
Due to manager	122
Unrealized losses on derivative contracts	1,817
<b>Total liabilities</b>	<b>5,645</b>
<b>Net assets attributable to unitholders</b>	<b>190,170</b>
<b>Net assets attributable to unitholders per series (note 3)</b>	
Series E	190,170
<b>Net assets attributable to unitholders per unit (note 3)</b>	
Series E	19.61

## STATEMENT OF COMPREHENSIVE INCOME

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

	2018 \$
<b>Income</b>	
Dividends	241
Interest income	9,619
Other changes in fair value of investments	
Net realized gain (loss)	2,105
Net unrealized gain (loss)	(5,800)
Other	53
<b>Total income (loss)</b>	<b>6,218</b>
<b>Expenses (note 6)</b>	
Management fees	1,235
Management fee rebates	(1,105)
Interest charges	1
Commissions and other portfolio transaction costs	30
Independent Review Committee fees	1
<b>Expenses before amounts absorbed by Manager</b>	<b>162</b>
Expenses absorbed by Manager	–
<b>Net expenses</b>	<b>162</b>
<b>Increase (decrease) in net assets attributable to unitholders from operations before tax</b>	<b>6,056</b>
Foreign withholding taxes	10
Foreign income taxes paid (recovered)	–
<b>Increase (decrease) in net assets attributable to unitholders from operations</b>	<b>6,046</b>
<b>Increase (decrease) in net assets attributable to unitholders from operations per series</b>	
Series E	6,046
<b>Increase (decrease) in net assets attributable to unitholders from operations per unit</b>	
Series E	0.67

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



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE FIXED INCOME ETF

## STATEMENT OF CHANGES IN FINANCIAL POSITION

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

	2018 Series E
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<b>\$</b>
<b>Beginning of period</b>	-
Increase (decrease) in net assets from operations	6,046
Distributions paid to unitholders:	
Investment Income	(8,620)
Capital gains	(4,848)
Management fee rebates	(1,105)
Total distributions paid to unitholders	(14,573)
Unit transactions:	
Proceeds from units issued	199,775
Reinvested distributions	4,848
Value of units redeemed	(5,926)
Total unit transactions	198,697
<b>Total increase (decrease) in net assets</b>	<b>190,170</b>
<b>End of period</b>	<b>190,170</b>
<b>Increase (decrease) in units (note 7):</b>	<b>Units</b>
<b>Units outstanding – beginning of period</b>	-
Issued	10,000
Reinvested distributions	-
Redeemed	(300)
<b>Units outstanding – end of period</b>	<b>9,700</b>

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



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE FIXED INCOME ETF

## 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	6,046
Adjustments for:	
Net realized loss (gain) on investments	(2,105)
Change in net unrealized loss (gain) on investments	5,800
Purchase of investments	(333,366)
Proceeds from sale and maturity of investments	154,327
Change in accrued interest receivable	(2,357)
Change in dividends receivable	(15)
Change in due to manager	122
<b>Net cash from operating activities</b>	<b>(171,548)</b>
<b>Cash flows from financing activities</b>	
Proceeds from redeemable securities issued	199,775
Payments on redemption of redeemable securities	(5,926)
Distributions paid net of reinvestments	(9,725)
<b>Net cash from financing activities</b>	<b>184,124</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>12,576</b>
Cash and cash equivalents at beginning of period	–
Effect of exchange rate fluctuations on cash and cash equivalents	1,577
<b>Cash and cash equivalents at end of period</b>	<b>14,153</b>
Cash	13,657
Cash equivalents	496
<b>Cash and cash equivalents at end of period</b>	<b>14,153</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>	
Dividends received	226
Foreign taxes paid	10
Interest received	7,262
Interest paid	1

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



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE FIXED INCOME ETF

## SCHEDULE OF INVESTMENTS

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS</b>					
AAC holdings Inc. Term Loan 1st Lien F/R 06-30-2023	United States	Term Loans	USD 76,309	96	100
Advanced Micro Devices Inc. 7.50% 08-15-2022	United States	Corporate - Non Convertible	USD 660,000	999	931
AIMCo Realty Investors LP 3.04% 06-01-2028 Callable 2028	Canada	Corporate - Non Convertible	70,000	70	70
AMC Entertainment Holdings Inc. 5.88% 11-15-2026 Callable	United States	Corporate - Non Convertible	USD 940,000	1,134	1,193
American Woodmark Corp. 4.88% 03-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 220,000	271	277
Amneal Pharmaceuticals LLC Term loan B 1st Lien F/R 03-23-2025	United States	Term Loans	USD 160,000	205	207
AMS FinCo SARL Term Loan 1st Lien F/R 05-27-2024	Luxembourg	Term Loans	USD 347,375	463	451
Antero Resources Corp. 5.00% 03-01-2025	United States	Corporate - Non Convertible	USD 540,000	726	701
ArcelorMittal SA 5.13% 06-01-2020	Luxembourg	Corporate - Non Convertible	USD 870,000	1,220	1,160
Arch Merger Sub Inc. 8.50% 09-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 2,010,000	2,537	2,402
Arcos Dorados Holdings Inc. 6.63% 09-27-2023	Uruguay	Corporate - Non Convertible	USD 100,000	147	138
Arcos Dorados Holdings Inc. 5.88% 04-04-2027 Callable 2022	Uruguay	Corporate - Non Convertible	USD 950,000	1,310	1,237
Argentine Bonos del Tesoro 21.20% 09-19-2018	Argentina	Foreign Governments	ARS 6,700,000	607	424
Asian Development Bank 6.00% 02-24-2021	Supra - National	n/a	INR 21,000,000	412	414
Asian Development Bank 6.45% 08-08-2021	Supra - National	n/a	INR 8,500,000	184	167
Asian Development Bank 5.90% 12-20-2022	Supra - National	n/a	INR 8,810,000	170	169
ASP AMC Merger Sub Inc. 8.00% 05-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,220,000	1,658	1,481
ATS Consolidated Inc. Term Loan B 1st Lien F/R 02-23-2025	United States	Term Loans	USD 70,000	88	91
Avolon Holdings Funding Ltd. 5.50% 01-15-2023 144A Callable 2022	Ireland	Corporate - Non Convertible	USD 210,000	269	268
Bank of America Corp. F/R 09-20-2025 Callable 2024	United States	Corporate - Non Convertible	660,000	660	665
Bank of Montreal 3.32% 06-01-2026	Canada	Corporate - Non Convertible	350,000	365	354
Bank of Montreal F/R 12-15-2032 Callable 2027	Canada	Corporate - Non Convertible	USD 100,000	129	122
The Bank of Nova Scotia F/R 04-12-2066 Callable 2022	Canada	Corporate - Non Convertible	USD 430,000	539	523
Bell Canada 2.70% 02-27-2024 Callable	Canada	Corporate - Non Convertible	160,000	159	156
Bellatrix Exploration Ltd. 8.50% 05-15-2020 Callable 144A	Canada	Corporate - Non Convertible	USD 380,000	498	400
Big Ass Fans LLC Term Loan 1st Lien F/R 05-07-2024	United States	Term Loans	USD 59,850	76	78
BMC Acquisition Inc. Term Loan 1st Lien F/R 12-15-2024	United States	Term Loans	USD 59,850	76	77
Boardriders Inc. Term Loan B 1st Lien F/R 03-21-2024	United States	Term Loans	USD 200,000	253	255
Brazil Notas do Tesouro Nacional 10.00% 01-01-2027	Brazil	Foreign Governments	BRL 3,500,000	1,375	1,412
Burger King France SAS 6.00% 05-01-2024 Callable 2020	France	Corporate - Non Convertible	EUR 940,000	1,515	1,579
BWAY Holding Co. 7.25% 04-15-2025 144A	United States	Corporate - Non Convertible	USD 450,000	613	593
California Resources Corp. 8.00% 12-15-2022 Callable 2018 144A	United States	Corporate - Non Convertible	USD 1,930,000	1,817	1,961
Calpine Corp. 5.25% 06-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 1,560,000	1,964	1,947
Camelot Finance LP Term Loan 1st Lien F/R 10-03-2023	United States	Term Loans	USD 99,002	136	128
Camelot Finance SA 7.88% 10-15-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 985,000	1,447	1,328
Can Am Construction Inc./Canada Term Loan B 1st Lien F/R 07-01-2024	Canada	Term Loans	USD 267,851	338	349
Canada Goose Inc. Term Loan 1st Lien F/R 12-22-2021	Canada	Term Loans	USD 95,000	119	121
Canadian Imperial Bank of Commerce 2.47% 12-05-2022	Canada	Corporate - Non Convertible	130,000	130	129
Canadian Imperial Bank of Commerce F/R 04-04-2028 Callable 2023	Canada	Corporate - Non Convertible	100,000	100	100
Canadian Western Bank 2.92% 12-15-2022	Canada	Corporate - Non Convertible	110,000	110	109
CareCentrix Inc. Term Loan B 1st Lien F/R 07-08-2021	United States	Term Loans	USD 98,985	135	128



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE FIXED INCOME 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>BONDS (cont'd)</b>					
Careerbuilder LLC Term Loan 1st Lien F/R 07-31-2023	United States	Term Loans	USD 103,500	126	133
Casablanca US Holdings Inc. Term Loan 1st Lien F/R 03-29-2024	United States	Term Loans	USD 97,500	133	127
Cemex Finance LLC 6.00% 04-01-2024 Callable 2019 144A	Mexico	Corporate - Non Convertible	USD 610,000	883	811
Centennial Resource Production LLC 5.38% 01-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 410,000	523	520
CenturyLink Inc. Term Loan B 1st Lien F/R 01-31-2025	United States	Term Loans	USD 139,025	184	176
Chloe Ox Parent LLC Term Loan 1st Lien F/R 12-19-2024	United States	Term Loans	USD 110,000	140	143
Choice Properties Real Estate Investment Trust 3.01% 03-21-2022 Callable 2022	Canada	Corporate - Non Convertible	40,000	40	40
Choice Properties Real Estate Investment Trust 3.55% 01-10-2025 Callable 2024	Canada	Corporate - Non Convertible	70,000	70	70
Choice Properties Real Estate Investment Trust 4.18% 03-08-2028 Callable 2027	Canada	Corporate - Non Convertible	140,000	140	142
CHS/Community Health Systems Inc. 5.13% 08-01-2021	United States	Corporate - Non Convertible	USD 610,000	820	735
Coca-Cola Femsa SAB de CV 3.88% 11-26-2023	Mexico	Corporate - Non Convertible	USD 1,200,000	1,706	1,583
Coeur Mining Inc. 5.88% 06-01-2024 Callable 2020	United States	Corporate - Non Convertible	USD 770,000	1,041	991
Colbun SA 4.50% 07-10-2024 Callable 2024	Chile	Corporate - Non Convertible	USD 730,000	1,031	966
Comfort Holding LLC Term Loan 1st Lien F/R 02-05-2024	United States	Term Loans	USD 146,500	201	184
Commonwealth of Bahamas 5.75% 01-16-2024	Bahamas	Foreign Governments	USD 1,890,000	2,637	2,521
Commonwealth of Bahamas 6.95% 11-20-2029	Bahamas	Foreign Governments	USD 110,000	163	157
Communications Sales & Leasing Inc. Term Loan B 1st Lien F/R 10-24-2022	United States	Term Loans	USD 98,997	136	123
Communications Sales & Leasing Inc. 8.25% 10-15-2023 Callable 2019	United States	Corporate - Non Convertible	USD 480,000	702	587
Communications Sales & Leasing Inc. 7.13% 12-15-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 1,100,000	1,527	1,290
Conn's Inc. 7.25% 07-15-2022 Callable	United States	Corporate - Non Convertible	USD 420,000	492	540
Constellium NV 6.63% 03-01-2025 Callable 2020 144A	Netherlands	Corporate - Non Convertible	USD 140,000	187	183
Constellium NV 4.25% 02-15-2026 Callable 2020	Netherlands	Corporate - Non Convertible	EUR 280,000	418	451
Constellium NV 5.88% 02-15-2026 Callable 2020 144A	Netherlands	Corporate - Non Convertible	USD 960,000	1,244	1,221
ConvergeOne Holdings Corp. Term Loan B 1st Lien F/R 06-20-2024	United States	Term Loans	USD 69,475	86	90
Coronado Australian Holdings Pty Ltd. Term Loan B 1st Lien F/R 03-21-2025	United States	Term Loans	USD 94,286	118	120
Coronado Australian Holdings Pty Ltd. Term Loan C 1st Lien F/R 03-21-2025	United States	Term Loans	USD 25,714	32	33
CSM NV Term Loan B F/R 07-03-2020	United States	Term Loans	USD 64,692	83	83
CVR Partners LP 9.25% 06-15-2023 Callable 2019 144A	United States	Corporate - Non Convertible	USD 1,000,000	1,411	1,377
DaVita Healthcare Partners Inc. 5.00% 05-01-2025 Callable 2020	United States	Corporate - Non Convertible	USD 1,100,000	1,346	1,373
Deerfield Holdings Corp. Term Loan B 1st Lien F/R 12-06-2024	United States	Term Loans	USD 60,000	77	78
Denbury Resources Inc. 9.00% 05-15-2021 Callable 144A	United States	Corporate - Non Convertible	USD 270,000	353	358
Denbury Resources Inc. 5.50% 05-01-2022 Callable 2017	United States	Corporate - Non Convertible	USD 170,000	160	175
DHX Media Ltd. 5.88% 09-30-2024 Conv.	Canada	Corporate - Convertible	50,000	47	46
Diamond (BC) BV Term Loan 1st Lien F/R 09-06-2024	United States	Term Loans	USD 79,550	99	102
Digicert Holdings Inc. Term Loan 1st Lien F/R 09-20-2024	United States	Term Loans	USD 110,000	135	144
Digicert Holdings Inc. Term Loan 2nd Lien F/R 10-31-2025	United States	Term Loans	USD 50,000	61	65
DISH DBS Corp. 5.875% 11-15-2024	United States	Corporate - Non Convertible	USD 960,000	1,218	1,107



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE FIXED INCOME 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>BONDS (cont'd)</b>					
EagleTree-Carbide Acquisition Corp. Term Loan 1st Lien F/R 08-28-2024	United States	Term Loans	USD 358,550	446	466
Elo Touch Solutions Inc. Term Loan B 1st Lien F/R 10-25-2023	United States	Term Loans	USD 112,400	143	146
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate - Non Convertible	2,160,000	2,140	2,082
Envigo Holdings Inc. Term Loan B 1st Lien F/R 12-14-2023	United States	Term Loans	USD 140,000	172	177
EPCOR Utilities Inc. 3.55% 11-27-2047 Callable 2047	Canada	Corporate - Non Convertible	80,000	80	80
European Bank for Reconstruction & Development 6.00% 05-04-2020	Supra - National	n/a	INR 52,000,000	1,111	1,019
Exela Intermediate LLC 10.00% 07-15-2023 Callable 2020 144A	United States	Corporate - Non Convertible	USD 500,000	642	655
FAGE International SA/FAGE USA Dairy Industry Inc. 5.625% 08-15-2026 Callable 2021 144A	Luxembourg	Corporate - Non Convertible	USD 1,515,000	1,972	1,820
Fairfax Financial Holdings Ltd. 4.50% 03-22-2023	Canada	Corporate - Non Convertible	560,000	598	584
Federation des Caisses Desjardins du Quebec 2.09% 01-17-2022	Canada	Corporate - Non Convertible	420,000	426	412
Federative Republic of Brazil 5.63% 02-21-2047	Brazil	Foreign Governments	USD 975,000	1,234	1,221
First Quantum Minerals Ltd. 7.25% 04-01-2023 Callable 2019 144A	Canada	Corporate - Non Convertible	USD 790,000	1,083	1,008
First Quantum Minerals Ltd. 6.88% 03-01-2026 Callable 2021 144A	Zambia	Corporate - Non Convertible	USD 610,000	771	749
Fortress Transportation and Infrastructure Investors LLC 6.75% 03-15-2022 Callable 2020 144A	United States	Corporate - Non Convertible	USD 820,000	1,086	1,075
Fresenius US Finance II Inc. 4.25% 02-01-2021 144A	Germany	Corporate - Non Convertible	USD 750,000	1,068	985
FXI Holdings Inc. 7.88% 11-01-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,000,000	1,280	1,265
Garda World Security Corp. Term Loan B 1st Lien F/R 05-26-2024	Canada	Term Loans	USD 118,591	161	154
Gateway Casinos & Entertainment Ltd. 8.25% 03-01-2024 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 1,580,000	2,192	2,169
Gavilan Resources LLC Term Loan 2nd Lien F/R 02-23-2024	United States	Term Loans	USD 100,000	136	129
Genworth Holdings Inc. Term Loan 1st Lien F/R 02-28-2023	United States	Term Loans	USD 80,000	102	105
GFL Environmental Inc. 5.38% 03-01-2023 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 720,000	914	914
Gibson Energy Inc. 5.25% 07-15-2021 Conv. Callable 2020	Canada	Corporate - Convertible	710,000	744	752
Gibson Energy Inc. 5.25% 07-15-2024 Callable 2020 REGS	Canada	Corporate - Non Convertible	4,030,000	4,036	4,059
Government of Canada 3.25% 06-01-2021	Canada	Federal Government	330,000	343	344
Government of Dominican Republic 7.50% 05-06-2021	Dominican Republic	Foreign Governments	USD 990,000	1,363	1,359
Government of Germany 0.50% 02-15-2028	Dominican Republic	Foreign Governments	USD 280,000	389	409
Government of Russia 7.05% 01-19-2028	Russia	Foreign Governments	RUB 31,000,000	676	703
Government of Turkey 11.00% 02-24-2027	Turkey	Foreign Governments	TRL 2,800,000	1,097	844
Great Canadian Gaming Corp. 6.625% 07-25-2022 Callable 144A	Canada	Corporate - Non Convertible	1,670,000	1,743	1,728
Green Plains Inc. Term Loan B 1st Lien F/R 08-29-2023	United States	Term Loans	USD 79,100	99	102
Greenhill & Co. Inc. Term Loan B 1st Lien F/R 10-12-2022	United States	Term Loans	USD 118,500	148	154
H&R Real Estate Investment Trust 3.42% 01-23-2023 Callable 2022	Canada	Corporate - Non Convertible	50,000	50	50
Hardwoods Acquisition Inc. 7.50% 08-01-2021 Callable 144A	United States	Corporate - Non Convertible	USD 715,000	890	843
Heathrow Funding Ltd. 3.25% 05-21-2025	United Kingdom	Corporate - Non Convertible	1,940,000	1,986	1,965
Heathrow Funding Ltd. 3.40% 03-08-2028	United Kingdom	Corporate - Non Convertible	130,000	130	132
Hornblower Sub LLC Term Loan 1st Lien F/R 04-28-2025	United States	Term Loans	USD 130,000	167	168
Hudson River Trading LLC Term Loan 1st Lien F/R 03-20-2025	United States	Term Loans	USD 110,000	142	142
Hyster-Yale Group Inc. Term Loan B 1st Lien F/R 05-30-2023	United States	Term Loans	USD 481,250	649	625



**MACKENZIE**  
Investments



# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE FIXED INCOME 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>BONDS (cont'd)</b>					
I-Logic Technologies Bidco Ltd. Term Loan B 1st Lien F/R 12-20-2024	United States	Term Loans	USD 89,775	115	116
Impala Private Holdings II LLC Term Loan 1st Lien F/R 11-10-2024	United States	Term Loans	USD 119,700	151	155
Indivior Finance SARL Term Loan B 1st Lien F/R 12-14-2022	United Kingdom	Term Loans	USD 69,825	89	91
Interior Logic Group Inc. Term Loan B 1st Lien F/R 03-01-2024	United States	Term Loans	USD 65,000	88	84
International Finance Corp. 6.30% 11-25-2024	Supra - National	n/a	INR 16,200,000	339	315
International Finance Corp. 7.00% 07-20-2027	Supra - National	n/a	MXN 23,800,000	1,457	1,610
iQor US Inc. Term Loan B 1st Lien F/R 04-01-2021	United States	Term Loans	USD 77,029	105	100
Iron Mountain Canada Operations ULC 5.38% 09-15-2023 Callable 2019	United States	Corporate - Non Convertible	1,080,000	1,134	1,111
Jaguar Land Rover Automotive PLC 4.25% 11-15-2019 144A	United Kingdom	Corporate - Non Convertible	USD 730,000	1,028	950
JBS USA Lux SA Term Loan B 1st Lien F/R 10-30-2022	Brazil	Term Loans	USD 121,500	162	156
Jefferies Finance LLC 6.88% 04-15-2022 Callable	United States	Corporate - Non Convertible	USD 760,000	1,015	974
KEMET Corp. Term Loan B 1st Lien F/R 04-26-2024	United States	Term Loans	USD 288,141	389	379
Keystone Peer Review Organization Holdings Inc. Term Loan 1st Lien F/R 05-01-2024	United States	Term Loans	USD 123,250	165	160
Kronos Acquisition Holdings Inc. 9.00% 08-15-2023 144A	Canada	Corporate - Non Convertible	USD 30,000	36	37
Lamb Weston Holdings Inc. 4.88% 11-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 360,000	460	461
Lannett Co. Inc. Term Loan B 1st Lien F/R 11-25-2022	United States	Term Loans	USD 92,155	126	119
Laurentian Bank of Canada F/R 10-22-2019	Canada	Corporate - Non Convertible	110,000	110	110
LD Intermediate Holdings Inc. Term Loan B 1st Lien F/R 12-09-2022	United States	Term Loans	USD 57,100	70	66
Lee Enterprises Inc. 9.50% 03-15-2022 Callable 2018 144A	United States	Corporate - Non Convertible	USD 1,140,000	1,637	1,538
LifeMiles Ltd. Term Loan B 1st Lien F/R 08-18-2022	Colombia	Term Loans	USD 152,000	191	201
LifeMiles Ltd. Term Loan B 1st Lien F/R 08-18-2022	Colombia	Term Loans	USD 70,000	92	92
Lifetime Brands Inc. Term Loan B 1st Lien F/R 03-31-2025	United States	Term Loans	USD 30,000	38	39
Livingston International Inc. Term Loan 1st Lien F/R 03-18-2020	Canada	Term Loans	99,221	98	95
Logibec Groupe Informatique Ltd. Term Loan 1st Lien F/R 12-31-2018	Canada	Term Loans	138,747	132	132
Manulife Bank of Canada 2.84% 01-12-2023	Canada	Corporate - Non Convertible	80,000	80	80
Mattamy Group Corp. 6.50% 10-01-2025 Callable 2020	Canada	Corporate - Non Convertible	1,800,000	1,821	1,837
McAfee LLC Term Loan B 1st Lien F/R 09-30-2024	United States	Term Loans	USD 338,300	418	441
MEG Energy Corp. 7.00% 03-31-2024 Callable 2018 144A	Canada	Corporate - Non Convertible	USD 630,000	711	674
Meredith Corp. Term Loan B 1st Lien F/R 01-18-2025	United States	Term Loans	USD 220,000	273	285
Meredith Corp. 6.88% 02-01-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 460,000	575	610
Metro Inc. 2.68% 12-05-2022 Callable 2022	Canada	Corporate - Non Convertible	40,000	40	40
Metro Inc. 3.39% 12-06-2027 Callable 2027	Canada	Corporate - Non Convertible	90,000	90	89
Mondelez International Inc. 3.25% 03-07-2025 Callable 2025	United States	Corporate - Non Convertible	120,000	119	120
Morgan Stanley 3.00% 02-07-2024	United States	Corporate - Non Convertible	580,000	591	573
Mountain Province Diamonds Inc. 8.00% 12-15-2022 Callable 2019 144A	Canada	Corporate - Non Convertible	USD 240,000	299	310
Neenah Foundry Co. Term Loan B 1st Lien F/R 12-08-2022	United States	Term Loans	USD 88,875	113	114
New Red Finance Inc. 4.25% 05-15-2024 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 440,000	604	544
New Red Finance Inc. 5.00% 10-15-2025 Callable 2020 144A	Canada	Corporate - Non Convertible	USD 1,630,000	2,013	2,010
Newell Brands Inc. 4.20% 04-01-2026 Callable 2026	United States	Corporate - Non Convertible	USD 50,000	63	64
Nokia OYJ 5.38% 05-15-2019	Finland	Corporate - Non Convertible	USD 774,000	1,072	1,011



**MACKENZIE**  
Investments



# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE FIXED INCOME 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>BONDS (cont'd)</b>					
Nokia OYJ 3.38% 06-12-2022	Finland	Corporate - Non Convertible	USD 320,000	429	398
Numericable-SFR 6.00% 05-15-2022 Callable 144A	France	Corporate - Non Convertible	USD 3,210,000	4,536	4,049
NuVista Energy Ltd. 6.50% 03-02-2023 Callable 2020	Canada	Corporate - Non Convertible	560,000	560	562
NVA Holdings Inc. 6.88% 04-01-2026 Callable 2021	United States	Corporate - Non Convertible	USD 280,000	363	364
Ocean Bidco Inc. Term Loan B 1st Lien F/R 03-02-2025	United States	Term Loans	USD 60,000	77	78
OCI Beaumont LLC Term Loan B 1st Lien F/R 02-16-2025	United States	Term Loans	USD 90,000	113	117
Office Depot Inc. Term Loan B 1st Lien F/R 11-08-2022	United States	Term Loans	USD 56,000	69	74
Olin Corp. 5.00% 02-01-2030 Callable 2024	United States	Corporate - Non Convertible	USD 430,000	535	531
Osteon Merger Sub Inc. Term Loan B 1st Lien F/R 02-06-2025	United States	Term Loans	USD 60,000	75	78
Parkland Fuel Corp. 6.00% 11-21-2022 Callable	Canada	Corporate - Non Convertible	1,840,000	1,920	1,901
Parkland Fuel Corp. 6.00% 04-01-2026 Callable 2021 144A	Canada	Corporate - Non Convertible	USD 1,740,000	2,278	2,259
The Pasha Group Term Loan B 1st Lien F/R 12-13-2022	United States	Term Loans	USD 125,938	157	164
Penske Automotive Group Inc. 3.75% 08-15-2020	United States	Corporate - Non Convertible	USD 630,000	790	814
Petrobras Global Finance BV 7.38% 01-17-2027	Brazil	Corporate - Non Convertible	USD 1,530,000	2,233	2,140
Petroleos De Venezuela SA 6.00% 05-16-2024	Venezuela	Corporate - Non Convertible	USD 828,000	265	296
PetSmart Inc. Term Loan B2 1st Lien F/R 03-10-2022	United States	Term Loans	USD 1,045,905	1,134	1,085
PetSmart Inc. 5.88% 06-01-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,440,000	1,864	1,350
Pilgrim's Pride Corp. 5.88% 09-30-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 850,000	1,058	1,035
Pisces Midco Inc. Term Loan B 1st Lien F/R 03-29-2025	United States	Term Loans	USD 140,000	179	179
PNI Canada Acquireco Corp. Term Loan B 1st Lien F/R 08-23-2022	Canada	Term Loans	USD 129,350	153	166
Premier Foods Finance PLC 6.50% 03-15-2021 Callable	United Kingdom	Corporate - Non Convertible	GBP 1,060,000	1,902	1,941
Prospect Medical Holdings Inc. Term Loan B 1st Lien F/R 02-15-2024	United States	Term Loans	USD 220,000	271	284
PS HoldCo LLC Term Loan 1st Lien F/R 03-02-2025	United States	Term Loans	USD 50,000	64	65
PSC Industrial Outsourcing LP Term Loan 2nd Lien F/R 10-05-2025	United States	Term Loans	USD 50,000	62	64
PSC Industrial Outsourcing LP Term Loan B 1st Lien F/R 10-05-2024	United States	Term Loans	USD 189,525	236	247
Puma International Financing SA 5.00% 01-24-2026 Callable 2021	Singapore	Corporate - Non Convertible	USD 1,700,000	2,119	2,101
Q Holding Co. Term Loan B 1st Lien F/R 12-17-2021	United States	Term Loans	USD 118,010	162	154
QCP SNF West 8.13% 11-01-2023 Callable 2019 144A	United States	Corporate - Non Convertible	USD 950,000	1,356	1,273
Quad Graphics Inc. 7.00% 05-01-2022	United States	Corporate - Non Convertible	USD 650,000	895	871
Quebecor Media Inc. 6.625% 01-15-2023 144A	Canada	Corporate - Non Convertible	1,236,000	1,342	1,345
Quinpario Acquisition Corp. 2 B Term Loan 1st Lien F/R 06-30-2023	United States	Term Loans	USD 67,875	86	88
Quintiles IMS Inc. 2.88% 09-15-2025 Callable 2020	United States	Corporate - Non Convertible	EUR 750,000	1,086	1,156
Rackspace Hosting Inc. 8.63% 11-15-2024 Callable 2019 144A	United States	Corporate - Non Convertible	USD 960,000	1,388	1,224
Red Ventures LLC Term Loan B 1st Lien F/R 11-08-2024	United States	Term Loans	USD 248,750	307	324
Reliance Intermediate Holdings LP 6.50% 04-01-2023 Callable 2018 144A	Canada	Corporate - Non Convertible	USD 1,180,000	1,582	1,583
Reliance LP 3.84% 03-15-2025 Callable 2025	Canada	Corporate - Non Convertible	90,000	90	90
Republic of Argentina 4.63% 01-11-2023	Argentina	Foreign Governments	USD 280,000	336	348
Republic of Argentina 5.88% 01-11-2028	Argentina	Foreign Governments	USD 715,000	853	868
Republic of Argentina 6.88% 01-11-2048	Argentina	Foreign Governments	USD 210,000	260	247
Research Now Group Inc. Term Loan 1st Lien F/R 12-20-2024	United States	Term Loans	USD 229,425	280	294
Research Now Group Inc. Term Loan 2nd Lien F/R 12-20-2025	United States	Term Loans	USD 40,000	48	48



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE FIXED INCOME 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>BONDS (cont'd)</b>					
Resolute Forest Products Inc. 5.875% 05-15-2023	United States	Corporate - Non Convertible	USD 840,000	1,069	1,108
Reynolds Group Issuer Inc./Reynolds Group Issuer LLC/ Reynolds Group Issue Lu 5.125% 07-15-2023	United States	Corporate - Non Convertible	USD 620,000	859	808
Rite Aid Corp. 7.70% 02-15-2027	United States	Corporate - Non Convertible	USD 1,990,000	2,401	2,173
Robertshaw US Holding Corp. Term Loan 1st Lien F/R 02-15-2025	United States	Term Loans	USD 40,000	50	52
Royal Bank of Canada 2.36% 12-05-2022	Canada	Corporate - Non Convertible	90,000	90	89
Russel Metals Inc. 6.00% 03-16-2026 Callable 2021	Canada	Corporate - Non Convertible	690,000	690	694
Scientific Games International Inc. 6.25% 09-01-2020 Callable	United States	Corporate - Non Convertible	USD 1,550,000	1,985	2,009
Sigma Bidco BV Term Loan B 1st Lien F/R 03-07-2025	Netherlands	Term Loans	EUR 120,000	191	189
Sigma US Corp. Term Loan B 1st Lien F/R 03-06-2025	Netherlands	Term Loans	USD 120,000	155	155
SMI Acquisition Inc. Term Loan 1st Lien F/R 10-27-2024	United States	Term Loans	USD 49,875	64	65
SNC-Lavalin Group Inc. 2.69% 11-24-2020	Canada	Corporate - Non Convertible	30,000	30	30
SNC-Lavalin Group Inc. 3.24% 03-02-2023 Callable 2023	Canada	Corporate - Non Convertible	70,000	70	70
SoftBank Group Corp. 5.38% 07-30-2022 Callable 2022	Japan	Corporate - Non Convertible	USD 750,000	1,086	978
SoftBank Group Corp. 4.75% 09-19-2024 Callable 2024	Japan	Corporate - Non Convertible	USD 450,000	548	561
Source Energy Services Canada LP 10.50% 12-15-2021 Callable 2018 144A	Canada	Corporate - Non Convertible	3,031,000	3,561	3,316
Sprint Capital Corp. 6.875% 11-15-2028	United States	Corporate - Non Convertible	USD 920,000	1,246	1,108
Sprint Corp. 7.875% 09-15-2023	United States	Corporate - Non Convertible	USD 300,000	411	395
Sprint Corp. 7.63% 02-15-2025 Callable 2024	United States	Corporate - Non Convertible	USD 270,000	355	343
Staples Inc. Term Loan 1st Lien F/R 08-15-2024	United States	Term Loans	USD 69,450	88	89
Stepstone Group LP Term Loan B 1st Lien F/R 03-19-2025	United States	Term Loans	USD 60,000	77	78
Stonegate Pub Company Financing PLC 4.88% 03-15-2022 Callable 2019	United Kingdom	Corporate - Non Convertible	GBP 970,000	1,711	1,738
Sun Life Financial Inc. F/R 11-23-2027 Callable 2022	Canada	Corporate - Non Convertible	80,000	80	79
Sunshine Investments BV Term Loan B3 1st Lien F/R 12-15-2024	Netherlands	Term Loans	USD 110,000	141	142
Superior Plus LP 5.25% 02-27-2024 Callable 2020	Canada	Corporate - Non Convertible	3,050,000	3,103	3,082
Sydney Airport Finance Co. Pty. Ltd. 3.625% 04-28-2026 Callable 2026 144A	Australia	Corporate - Non Convertible	USD 160,000	219	201
Talen Energy Supply LLC 9.50% 07-15-2022 Callable 2020 144A	United States	Corporate - Non Convertible	USD 710,000	894	892
Talen Energy Supply LLC 10.50% 01-15-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 330,000	412	367
Team Health Holdings Inc. 6.38% 02-01-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 1,080,000	1,360	1,200
Telenet Finance Luxembourg Notes Sarl 5.50% 03-01-2028 Callable 2022 144A	Belgium	Corporate - Non Convertible	USD 600,000	752	743
TELUS Corp. 3.63% 03-01-2028 Callable 2027	Canada	Corporate - Non Convertible	60,000	60	60
Tenet Healthcare Corp. 6.75% 06-15-2023	United States	Corporate - Non Convertible	USD 1,240,000	1,619	1,570
TerraForm Power Operating LLC 5.00% 01-31-2028 Callable 2027 144A	United States	Corporate - Non Convertible	USD 1,550,000	1,990	1,902
Teva Pharmaceutical Finance Netherlands III BV 3.15% 10-01-2026 Callable	Israel	Corporate - Non Convertible	USD 1,199,000	1,246	1,242
Thomas Cook Group PLC 6.25% 06-15-2022 Callable 2019	United Kingdom	Corporate - Non Convertible	EUR 1,370,000	2,239	2,339
Titan Acquisition Ltd. Term Loan 1st Lien F/R 03-16-2025	United Kingdom	Term Loans	USD 140,000	183	180
Titan Acquisition Ltd. 7.75% 04-15-2026 Callable 2021 144A	United Kingdom	Corporate - Non Convertible	USD 2,160,000	2,830	2,782
TMX Group Ltd. 2.30% 12-11-2024 Callable 2024	Canada	Corporate - Non Convertible	80,000	80	79
The Toronto-Dominion Bank 1.91% 07-18-2023 DPNT	Canada	Corporate - Non Convertible	590,000	588	567



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE FIXED INCOME 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>BONDS (cont'd)</b>					
Tortoise Borrower LLC Term Loan 1st Lien F/R 11-20-2024	United States	Term Loans	USD 50,000	64	65
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	30,000	30	30
Traverse Midstream Partners LLC Term Loan B 1st Lien F/R 09-21-2024	United States	Term Loans	USD 90,000	111	117
Trico Products Corp. Term Loan 1st Lien F/R 02-02-2024	United States	Term Loans	USD 120,000	144	156
Uber Technologies Inc. Term Loan 1st Lien F/R 03-21-2025	United States	Term Loans	USD 180,000	231	233
Uber Technologies Inc. Term Loan B 1st Lien F/R 07-13-2023	United States	Term Loans	USD 326,233	443	422
Valeant Pharmaceuticals International Inc. 5.63% 12-01-2021 Callable 144A	United States	Corporate - Non Convertible	USD 638,000	706	788
Videotron Ltee 5.625% 06-15-2025 Callable 2025	Canada	Corporate - Non Convertible	270,000	289	285
Videotron Ltee 5.75% 01-15-2026 Callable 2020	Canada	Corporate - Non Convertible	660,000	702	693
Vistage Worldwide Inc. Term Loan 1st Lien F/R 02-01-2025	United States	Term Loans	USD 100,000	125	130
Waste Pro USA Inc. 5.50% 02-15-2026 Callable 2021 144A	United States	Corporate - Non Convertible	USD 640,000	791	816
Western Dental Services Inc. Term Loan B 1st Lien F/R 06-23-2023	United States	Term Loans	USD 68,725	90	90
Wind Tre SPA 5.00% 01-20-2026 Callable 2020	Italy	Corporate - Non Convertible	USD 1,340,000	1,640	1,476
Xplornet Communications Inc. 9.63% 06-01-2022 Callable 2019 144A	Canada	Corporate - Non Convertible	USD 705,791	894	935
YRC Worldwide Inc. Term Loan 1st Lien F/R 07-21-2022	United States	Term Loans	USD 71,905	89	94
Zotec Partners LLC Term Loan 1st Lien F/R 02-09-2024	United States	Term Loans	USD 130,000	162	167
<b>Total bonds</b>				<b>169,965</b>	<b>164,954</b>
<b>EQUITIES</b>					
AltaGas Ltd. Pfd. Series K	Canada	Energy	13,853	362	351
Brookfield Asset Management Inc. Pfd. Series 46	Canada	Real Estate	13,245	348	342
Brookfield Asset Management Inc. Pfd. Series 48	Canada	Real Estate	5,974	149	152
Brookfield Renewable Partners LP Pfd. Series 11	Canada	Utilities	23,568	595	594
Husky Energy Inc. 4.45% 12-31-2049 Pfd. Series 1	Canada	Energy	62,140	1,022	1,105
Shaw Communications Inc. Pfd Series A	Canada	Consumer Discretionary	29,960	492	549
Source Energy Services Ltd.	Canada	Energy	30,639	—	152
TransAlta Corp. Pfd. Series A	Canada	Utilities	33,386	452	496
TransCanada Corp. Pfd. Series 15	Canada	Energy	21,432	568	558
<b>Total equities</b>				<b>3,988</b>	<b>4,299</b>
<b>OPTIONS</b>					
Options purchased (see schedule of options purchased)				458	429
<b>Total options</b>				<b>458</b>	<b>429</b>
Transaction costs				(7)	—
<b>Total investments</b>				<b>174,404</b>	<b>169,682</b>
Derivative instruments (see schedule of derivative instruments)					(1,114)
Cash and cash equivalents					14,153
Other assets less liabilities					7,449
<b>Total net assets</b>					<b>190,170</b>



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE FIXED INCOME ETF

## SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2018	
Portfolio Allocation	% of NAV
Bonds	86.9
<i>Bonds</i>	86.7
<i>Purchased options</i>	0.2
Cash and short-term investments	7.4
Other assets (liabilities)	3.4
Equities	2.3
Regional Allocation	% of NAV
United States	35.7
Canada	23.8
Other	7.4
Cash and short-term investments	7.4
United Kingdom	6.4
Other assets (liabilities)	3.4
France	3.0
Brazil	2.6
Luxembourg	1.8
Bahamas	1.4
Mexico	1.3
Netherlands	1.2
Singapore	1.1
Argentina	1.0
Dominican Republic	0.9
Japan	0.8
Italy	0.8
Sector Allocation	% of NAV
Corporate bonds	73.2
Term loans	7.8
Cash and short-term investments	7.4
Foreign government bonds	5.5
Other assets (liabilities)	3.4
Energy	1.1
Utilities	0.6
Consumer discretionary	0.3
Financials	0.3
Federal bonds	0.2
Other	0.2



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE FIXED INCOME ETF

## SCHEDULE OF OPTIONS PURCHASED

As at March 31, 2018

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Paid (\$ 000s)	Fair Value (\$ 000s)
iShares iBoxx \$ High Yield Corporate Bond ETF	1,036	Put	Sep. 21, 2018	83 USD	260	242
iShares iBoxx \$ High Yield Corporate Bond ETF	538	Put	Sep. 21, 2018	85 USD	198	187
<b>Total options</b>					<b>458</b>	<b>429</b>



**MACKENZIE**  
Investments

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE FIXED INCOME ETF

## SCHEDULE OF DERIVATIVE INSTRUMENTS

As at March 31, 2018

### Schedule of Forward Currency Contracts

Counterparty Credit Rating	Bought (\$ 000s)		Sold (\$ 000s)		Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized Gains (Losses) (\$ 000s)
A	35,130	Mexican peso	(2,323)	Canadian dollar	Apr. 06, 2018	2,323	2,488	165
A	10,360	Mexican peso	(710)	Canadian dollar	Apr. 06, 2018	710	734	24
AA	210	British pound	(367)	Canadian dollar	Apr. 11, 2018	367	380	13
AA	536	Canadian dollar	(410)	U.S. dollar	Apr. 13, 2018	(536)	(528)	8
AA	1,250	U.S. dollar	(1,610)	Canadian dollar	Apr. 20, 2018	1,610	1,610	–
A	2,051	Canadian dollar	(1,570)	U.S. dollar	Apr. 27, 2018	(2,051)	(2,022)	29
AA	37,201	Canadian dollar	(28,880)	U.S. dollar	Jun. 22, 2018	(37,201)	(37,150)	51
AA	35,248	Canadian dollar	(27,090)	U.S. dollar	Jun. 29, 2018	(35,248)	(34,843)	405
AA	535	Canadian dollar	(410)	U.S. dollar	Jun. 29, 2018	(535)	(527)	8
<b>Unrealized Gains</b>								<b>703</b>
A	3,470	Canadian dollar	(52,910)	Mexican peso	Apr. 06, 2018	(3,470)	(3,748)	(278)
AA	3,826	Canadian dollar	(2,265)	British pound	Apr. 11, 2018	(3,826)	(4,095)	(269)
AA	13,202	Canadian dollar	(10,550)	U.S. dollar	Apr. 20, 2018	(13,202)	(13,587)	(385)
AA	1,681	Canadian dollar	(1,093)	Euro	Apr. 20, 2018	(1,681)	(1,734)	(53)
AA	3,331	Canadian dollar	(2,135)	Euro	Apr. 20, 2018	(3,331)	(3,387)	(56)
AA	197	Canadian dollar	(155)	U.S. dollar	Apr. 20, 2018	(197)	(200)	(3)
A	1,600	Canadian dollar	(1,300)	U.S. dollar	Apr. 27, 2018	(1,600)	(1,674)	(74)
A	431	Canadian dollar	(275)	Euro	Apr. 27, 2018	(431)	(436)	(5)
AA	18,131	Canadian dollar	(14,500)	U.S. dollar	May 11, 2018	(18,131)	(18,666)	(535)
AA	197	Canadian dollar	(155)	U.S. dollar	May 11, 2018	(197)	(200)	(3)
AA	994	Canadian dollar	(14,810)	Mexican peso	May 11, 2018	(994)	(1,043)	(49)
AA	1,839	Canadian dollar	(1,500)	U.S. dollar	May 18, 2018	(1,839)	(1,931)	(92)
AA	5,504	Canadian dollar	(4,290)	U.S. dollar	Jun. 15, 2018	(5,504)	(5,519)	(15)
A	21	Canadian dollar	(300)	Mexican peso	Jul. 13, 2018	(21)	(21)	–
<b>Unrealized (Losses)</b>								<b>(1,817)</b>
<b>Total forward currency contracts</b>								<b>(1,114)</b>
<b>Total derivative instruments at fair value</b>								<b>(1,114)</b>



**MACKENZIE**  
Investments

## 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.

## NOTES TO FINANCIAL STATEMENTS

### 6. Management Fees and Operating Expenses (cont'd)

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.

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.

## NOTES TO FINANCIAL STATEMENTS

### 9. Financial Instruments Risk (cont'd)

#### 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.

#### 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 HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE FIXED INCOME ETF

## NOTES TO FINANCIAL STATEMENTS

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

#### (a) ETF Formation and Series Information

Date of Formation April 13, 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 MHYB on April 26, 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 \$19.64.

The management fee rate for Series E units is 0.65%.

As at March 31, 2018, the ETF's NAV per unit was \$19.64 and its Net Assets per unit calculated in accordance with IFRS, was \$19.61.

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

As at March 31, 2018, other funds managed by Mackenzie had an investment of \$185,979 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:

	March 31, 2018
	(\$)
Value of securities loaned	1,750
Value of collateral received	1,848

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

The table below presents financial assets and financial liabilities that are subject to master netting arrangements or other similar agreements and the net impact on the Fund's Statements of Financial Position if all set-off rights were exercised as part of future events such as bankruptcy or termination of contracts. No amounts were offset in the financial statements.

	March 31, 2018			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	8	–	–	8
Unrealized losses on derivative contracts	(92)	–	–	(92)
Liability for options written	–	–	–	–
Total	(84)	–	–	(84)

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

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

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

# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE FIXED INCOME 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	117,685	2,221	(115,237)	4,669
Indian rupee	2,084	–	–	2,084
Brazilian real	1,412	–	–	1,412
Turkish lira	844	–	–	844
Russian ruble	703	–	–	703
Argentine peso	424	45	–	469
Euro	5,714	–	(5,557)	157
Mexican peso	1,610	–	(1,590)	20
British pound	3,679	–	(3,715)	(36)
Total	134,155	2,266	(126,099)	10,322
% of Net Assets	70.5	1.2	(66.3)	5.4

\* 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 \$516 or 0.3% of total net assets. In practice, the actual trading results may differ and the difference could be material.

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

The table below summarizes the ETF's exposure to interest rate risks from its investments in bonds by term to maturity.

Bonds	March 31, 2018 (\$)
Less than 1 year	556
1-5 years	52,055
5-10 years	108,298
Greater than 10 years	4,045
Total	164,954

As at March 31, 2018, had prevailing interest rates increased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased by approximately \$7,414 or 3.9% of total net assets. Similarly, had prevailing interest rates decreased by 1%, with all other variables held constant, net assets would have increased by approximately \$7,371 or 3.9% of total net assets. In practice, the actual trading results may differ and the difference could be material.

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

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



# MACKENZIE GLOBAL HIGH YIELD FIXED INCOME ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

ACTIVE FIXED INCOME ETF

## NOTES TO FINANCIAL STATEMENTS

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

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

##### *v. Credit risk*

The ETF's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum exposure to any one debt issuer as at March 31, 2018, was 2.1% of the net assets of the ETF.

As at March 31, 2018, debt securities by credit rating are as follows:

Bond Rating*	March 31, 2018
	% of Net Assets
AAA	2.1
AA	0.7
A	3.1
BBB	4.5
BB	28.9
B	31.6
Less than B	12.5
Unrated	3.3
<b>Total</b>	<b>86.7</b>

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

#### (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 (\$)
Bonds	–	164,954	–	164,954
Equities	4,299	–	–	4,299
Options	429	–	–	429
Derivative assets	–	703	–	703
Derivative liabilities	–	(1,817)	–	(1,817)
Short-term investments	–	496	–	496
<b>Total</b>	<b>4,728</b>	<b>164,336</b>	<b>–</b>	<b>169,064</b>

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.

Financial instruments classified as Level 2 investments are valued based on the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data and using standard market convention practices. Short-term investments classified as Level 2 investments are valued based on amortized cost plus accrued interest which closely approximates fair value.