

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 a positive total return over a market cycle, regardless of market conditions, by investing primarily in fixed income securities of issuers anywhere in the world and in derivative instruments.

Risk

The risks of investing in the ETF remain as discussed in the ETF's Prospectus. The ETF is suitable for medium-term investors seeking to diversify a traditional portfolio of fixed income and equity investments, 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 3.3% (after deducting fees and expenses). This compares with the FTSE TMX Canada 91-Day T-Bill Index return of 0.8%. 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.

Developed global bond market returns varied over the year. The sovereign bond markets of the United States, Canada and the United Kingdom came under pressure as short-term yields rose significantly while long-term yields changed very little. In Europe, peripheral bond markets such as those of Italy, Spain and Portugal performed best, benefiting from the European Central Bank's bond-buying program. Emerging market bonds provided higher returns as higher interest payments generally offset price declines. The U.S. dollar weakened substantially, while the Canadian dollar weakened only moderately relative to the world's primary currencies. The strongest currencies were in Europe, where economic growth continued. The high-yield bond market had positive total returns, with all returns coming from interest payments.

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 index primarily due to its exposure to term loans and high-yield bonds, which are not included in the index. Selective exposure to investment grade corporate and sovereign bonds 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.

The ETF held put options on a high-yield exchange-traded fund to hedge against a potential downturn in the high-yield market. Notional exposure via the put options covered a substantial portion of the value of the high-yield bonds held by the ETF. The cost of these options detracted from performance. The ETF's short futures positions, used to manage portfolio duration, contributed to performance.

Over the year, portfolio activity and market effect resulted in new exposure to Australia. Exposure to the United Kingdom increased, while exposure to the United States, Ireland and Canada decreased, and exposure to Denmark was eliminated. At the sector level, exposure to federal bonds and term loans increased, while exposure to corporate bonds, provincial bonds and foreign government bonds decreased. The ETF's cash position increased.

Net Assets

The ETF's NAV increased by 704.8% to \$237.4 million at March 31, 2018, from \$29.5 million at March 31, 2017. This change was composed primarily of \$4.4 million in net income (including dividend and interest income) from investment performance, after deducting fees and expenses, \$209.4 million in net sales, and \$6.0 million in cash distributions.

Recent Developments

The portfolio management team believes that continued positive returns from the high-yield market, like the equity market, may be dependent on the support of U.S. pro-growth policies such as tax reform and infrastructure spending. However, 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. The team remains selective in choosing credits, continuing to increase the diversity of the ETF's holdings and protecting against potential market downturns as needed.

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.

Related Party Transactions

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



MACKENZIE UNCONSTRAINED BOND ETF

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2018

ACTIVE FIXED INCOME ETF

Management Fees

The management expense ratio ("MER") for the ETF of 0.61% during the year ended March 31, 2018, was slightly lower than the annualized MER of 0.62% for the period ended March 31, 2017. The ETF paid management fees to Mackenzie at the annual rate of 0.55%.

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

The ETF did not rely on an approval, positive recommendation or standing instruction from the Mackenzie Funds' Independent Review Committee with respect to a related party transaction because it did not engage in any related party transactions.

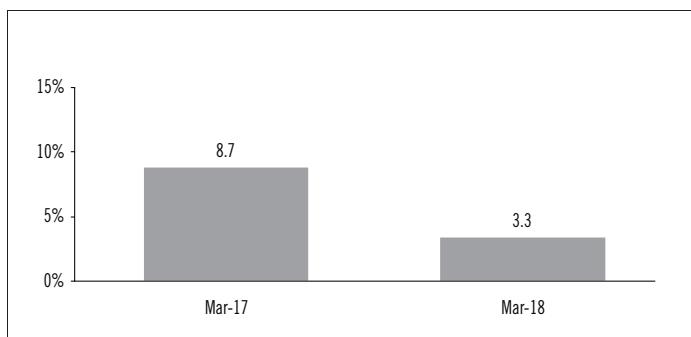
Past Performance

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 Unconstrained Bond ETF	3.3	n/a	n/a	n/a	6.1
FTSE TMX Canada 91-Day T-Bill Index	0.8	n/a	n/a	n/a	0.6

The FTSE TMX Canada 91-Day T-Bill Index is an index of Government of Canada treasury bills with maturities of less than 91 days.



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MACKENZIE UNCONSTRAINED BOND ETF

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2018

ACTIVE FIXED INCOME ETF

Summary of Investment Portfolio at March 31, 2018

Portfolio Allocation	% of NAV
Bonds	83.4
<i>Bonds</i>	82.9
<i>Purchased options*</i>	0.5
<i>Short futures**</i>	(0.0)
Cash and short-term investments	17.1
Equities	1.8
Exchange-traded funds/notes	1.5
Other assets (liabilities)	(3.8)
Regional Allocation	% of NAV
United States	44.1
Canada	29.5
Cash and short-term investments	17.1
Other	2.4
United Kingdom	2.1
Netherlands	1.6
Australia	1.4
Brazil	1.1
Bahamas	1.0
France	0.8
Colombia	0.6
Luxembourg	0.5
Ireland	0.4
Italy	0.4
Russia	0.4
Aruba	0.4
Other assets (liabilities)	(3.8)
Sector Allocation	% of NAV
Corporate bonds	34.7
Term loans	25.7
Cash and short-term investments	17.1
Federal bonds	12.3
Foreign government bonds	9.5
Exchange-traded funds/notes	1.5
Provincial bonds	0.7
Energy	0.6
Utilities	0.6
Other	0.5
Financials	0.4
Consumer discretionary	0.2
Other assets (liabilities)	(3.8)
Net Currency Exposure	% of NAV
Canadian dollar	92.1
U.S. dollar	5.7
Brazilian real	0.7
Other	0.6
Russian ruble	0.5
Indian rupee	0.4
Bonds by Credit Rating[†]	% of NAV
AAA	17.9
AA	2.7
A	2.2
BBB	5.6
BB	16.5
B	26.1
Less than B	5.9
Unrated	6.0

Top 25 Long Holdings

Issuer/Underlying Fund	% of NAV
Cash and short-term investments	17.1
Government of Canada 1.00% 06-01-2027	4.7
United States Treasury 2.25% 11-15-2027	2.9
Canada Housing Trust F/R 09-15-2022	2.4
Canada Housing Trust No. 1 F/R 03-15-2023	2.2
Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged)	1.5
United States Treasury Inflation Indexed 0.89% 02-15-2047	1.5
Government of Canada 2.00% 06-01-2028	1.4
Queensland Treasury Corp. 2.75% 08-20-2027	1.0
Arch Merger Sub Inc. 8.50% 09-15-2025 Callable 2020	0.9
Gibson Energy Inc. 5.25% 07-15-2024 Callable 2020	0.9
California Resources Corp. 8.00% 12-15-2022 Callable 2018	0.9
McAfee LLC Term Loan B 1st Lien F/R 09-30-2024	0.8
Rackspace Hosting Inc. 8.63% 11-15-2024 Callable 2019	0.8
Videotron Ltee 5.75% 01-15-2026 Callable 2020	0.8
Government of Canada 2.75% 12-01-2048	0.8
United Kingdom Treasury 4.25% 12-07-2027	0.8
Fairfax Financial Holdings Ltd. 4.50% 03-22-2023	0.8
Calpine Corp. 5.25% 06-01-2026 Callable 2021	0.7
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	0.7
Titan Acquisition Ltd. 7.75% 04-15-2026 Callable 2021	0.7
Numericable-SFR 6.00% 05-15-2022 Callable	0.7
Canadian Imperial Bank of Commerce 3.00% 10-28-2024 Callable 2019	0.7
Uber Technologies Inc. Term Loan B 1st Lien F/R 07-13-2023	0.7
Bell Canada 2.70% 02-27-2024 Callable	0.7

Top long positions as a percentage of total net asset value

47.1

Top 25 Short Holdings

Issuer	% of NAV
Swedish 10-Year Government Bond Futures**	(0.0)

Top short positions as a percentage of total net asset value

(0.0)

* Notional principal values represent 22.4% of NAV for purchased options.

** Notional principal values represent -1.5% of NAV for Swedish 10-Year Government Bond Futures.

† Credit ratings and rating categories are based on ratings issued by a designated rating organization. This table includes only bonds held directly by the ETF.

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

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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MACKENZIE UNCONSTRAINED BOND ETF

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2018

ACTIVE FIXED INCOME ETF

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: MUB)	Mar. 31 2018	Mar. 31 2017
Net assets, beginning of period	21.07	20.00
Increase (decrease) from operations:		
Total revenue	0.97	0.88
Total expenses	(0.14)	(0.16)
Realized gains (losses) for the period	0.01	0.58
Unrealized gains (losses) for the period	(0.14)	0.66
Total increase (decrease) from operations²	0.70	1.96
Distributions:		
From net investment income (excluding dividends)	0.76	(1.05)
From dividends	0.02	–
From capital gains	0.09	(0.04)
Return of capital	0.05	–
Total annual distributions³	0.92	(1.09)
Net assets, end of period	20.82	21.07

(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: MUB)	Mar. 31 2018	Mar. 31 2017
Total net asset value (\$000)⁽¹⁾	237,363	29,494
Units outstanding (000)⁽¹⁾	11,400	1,400
Management expense ratio (%)⁽²⁾	0.61	0.62
Management expense ratio before waivers or absorptions (%)⁽²⁾	0.61	0.62
Trading expense ratio (%)⁽³⁾	0.00	0.00
Trading expense ratio before reimbursements (%)⁽³⁾	0.00	0.00
Portfolio turnover rate (%)⁽⁴⁾	119.05	n/a
Net asset value per unit (\$)	20.82	21.07
Closing market price (\$)⁽⁵⁾	20.96	21.15

(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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