

MACKENZIE MAXIMUM DIVERSIFICATION US INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

STRATEGIC BETA INDEX ETF

MANAGEMENT REPORT

Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by Mackenzie Financial Corporation, as Manager of Mackenzie Maximum Diversification US Index 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 Maximum Diversification US Index ETF (the "ETF")

We have audited the accompanying financial statements of the ETF which comprise the statements of financial position as at March 31, 2018 and 2017, and the statements of comprehensive income, statements of changes in financial position and statements of cash flows for the periods 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 audits. We conducted our audits 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 in our audits 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 2017, and its financial performance and its cash flows for the periods 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 MAXIMUM DIVERSIFICATION US INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

STRATEGIC BETA INDEX ETF

STATEMENTS OF FINANCIAL POSITION

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

	2018	2017
	\$	\$
ASSETS		
Current assets		
Investments at fair value	53,484	29,233
Cash and cash equivalents	51	2
Dividends receivable	58	38
Accounts receivable for investments sold	–	195
Accounts receivable for securities issued	–	–
Due from manager	19	8
Total assets	53,612	29,476
LIABILITIES		
Current liabilities		
Accounts payable for investments purchased	–	193
Accounts payable for securities redeemed	–	–
Due to manager	45	28
Total liabilities	45	221
Net assets attributable to unitholders	53,567	29,255
Net assets attributable to unitholders per series (note 3)		
Series E	53,567	29,255
Net assets attributable to unitholders per unit (note 3)		
Series E	24.35	22.50

STATEMENTS OF COMPREHENSIVE INCOME

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

	2018	2017
	\$	\$
Income		
Dividends	810	261
Other changes in fair value of investments		
Net realized gain (loss)	1,885	692
Net unrealized gain (loss)	1,547	1,460
Securities lending income	1	–
Other	–	7
Total income (loss)	4,243	2,420
Expenses (note 6)		
Management fees	285	81
Management fee rebates	(47)	–
Commissions and other portfolio transaction costs	48	31
Independent Review Committee fees	–	–
Expenses before amounts absorbed by Manager	286	112
Expenses absorbed by Manager	48	25
Net expenses	238	87
Increase (decrease) in net assets attributable to unitholders from operations before tax	4,005	2,333
Foreign withholding taxes	112	33
Foreign income taxes paid (recovered)	–	–
Increase (decrease) in net assets attributable to unitholders from operations	3,893	2,300
Increase (decrease) in net assets attributable to unitholders from operations per series		
Series E	3,893	2,300
Increase (decrease) in net assets attributable to unitholders from operations per unit		
Series E	2.13	3.34

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



MACKENZIE
Investments

MACKENZIE MAXIMUM DIVERSIFICATION US INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

STRATEGIC BETA INDEX ETF

STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	2018	2017
	Series E	
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	\$	
Beginning of period	29,255	–
Increase (decrease) in net assets from operations	3,893	2,300
Distributions paid to unitholders:		
Investment income	(361)	(255)
Capital gains	–	(631)
Management fee rebates	(47)	–
Total distributions paid to unitholders	(408)	(886)
Unit transactions:		
Proceeds from units issued	34,614	33,970
Reinvested distributions	–	631
Value of units redeemed	(13,787)	(6,760)
Total unit transactions	20,827	27,841
Total increase (decrease) in net assets	24,312	29,255
End of period	53,567	29,255
	Units	
Increase (decrease) in units (note 7):		
Units outstanding – beginning of period	1,300	–
Issued	1,500	1,600
Reinvested distributions	–	–
Redeemed	(600)	(300)
Units outstanding – end of period	2,200	1,300

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



MACKENZIE
Investments

MACKENZIE MAXIMUM DIVERSIFICATION US INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

STRATEGIC BETA INDEX ETF

STATEMENTS OF CASH FLOWS

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

	2018	2017
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to unitholders from operations	3,893	2,300
Adjustments for:		
Net realized loss (gain) on investments	(1,885)	(692)
Change in net unrealized loss (gain) on investments	(1,547)	(1,460)
Purchase of investments	(17,300)	(16,522)
Proceeds from sale and maturity of investments	17,227	10,647
Change in dividends receivable	(20)	(38)
Change in due from manager	(11)	(8)
Change in due to manager	17	28
Net cash from operating activities	374	(5,745)
Cash flows from financing activities		
Proceeds from redeemable securities issued	115	10,510
Payments on redemption of redeemable securities	(36)	(4,508)
Distributions paid net of reinvestments	(408)	(255)
Net cash from financing activities	(329)	5,747
Net increase (decrease) in cash and cash equivalents	45	2
Cash and cash equivalents at beginning of period	2	–
Effect of exchange rate fluctuations on cash and cash equivalents	4	–
Cash and cash equivalents at end of period	51	2
Cash	51	2
Cash equivalents	–	–
Cash and cash equivalents at end of period	51	2
Supplementary disclosures on cash flow from operating activities:		
Dividends received	790	223
Foreign taxes paid	112	33
Interest received	–	–
Interest paid	–	–

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



MACKENZIE
Investments

MACKENZIE MAXIMUM DIVERSIFICATION US INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

STRATEGIC BETA INDEX ETF

SCHEDULE OF INVESTMENTS

As at March 31, 2018

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES					
3M Co.	United States	Industrials	582	156	165
AbbVie Inc.	United States	Health Care	2,705	267	330
Activision Blizzard Inc.	United States	Information Technology	2,600	176	226
Acuty Brands Inc.	United States	Industrials	347	72	62
Adient PLC	United States	Consumer Discretionary	161	16	12
Advance Auto Parts Inc.	United States	Consumer Discretionary	1,830	260	280
Advanced Micro Devices Inc.	United States	Information Technology	23,493	361	304
Aetna Inc.	United States	Health Care	563	107	123
Aflac Inc.	United States	Financials	1,170	67	66
AGNC Investment Corp.	United States	Financials	11,474	295	280
Akamai Technologies Inc.	United States	Information Technology	1,301	89	119
Alaska Air Group Inc.	United States	Industrials	212	18	17
Albemarle Corp.	United States	Materials	190	24	23
Alcoa Corp.	United States	Materials	725	40	42
Alexandria Real Estate Equities Inc.	United States	Real Estate	173	29	28
Alexion Pharmaceuticals Inc.	United States	Health Care	1,417	232	204
Align Technology Inc.	United States	Health Care	129	43	42
Alkermes PLC	United States	Health Care	3,473	250	260
Alleghany Corp.	United States	Financials	26	20	21
Allergan PLC	United States	Health Care	685	183	149
Alliance Data Systems Corp.	United States	Information Technology	82	25	23
Allison Transmission Holdings Inc.	United States	Industrials	233	12	12
The Allstate Corp.	United States	Financials	599	65	73
Ally Financial Inc.	United States	Financials	324	12	11
Alnylam Pharmaceuticals Inc.	United States	Health Care	1,708	300	262
Alphabet Inc. Class A	United States	Information Technology	213	251	285
Alphabet Inc. Class C	United States	Information Technology	228	263	303
Amazon.com Inc.	United States	Consumer Discretionary	420	522	783
Amdocs Ltd.	United States	Information Technology	168	14	14
American Airlines Group Inc.	United States	Industrials	91	7	6
American Campus Communities Inc.	United States	Real Estate	234	14	12
American Express Co.	United States	Financials	675	71	81
American Financial Group Inc.	United States	Financials	124	16	18
American International Group Inc.	United States	Financials	1,559	115	109
American Tower Corp. Class A	United States	Real Estate	927	154	174
American Water Works Co. Inc.	United States	Utilities	865	88	92
AmerisourceBergen Corp.	United States	Health Care	634	71	70
Anadarko Petroleum Corp.	United States	Energy	1,235	75	96
Andeavor	United States	Energy	247	31	32
Annaly Capital Management Inc.	United States	Financials	35,967	523	484
ANSYS Inc.	United States	Information Technology	138	29	28
Anthem Inc.	United States	Health Care	441	102	125
Aon PLC	United States	Financials	350	65	63
Apache Corp.	United States	Energy	830	49	41
Apartment Investment & Management Co.	United States	Real Estate	269	15	14
Apple Inc.	United States	Information Technology	3,313	592	716
Aptiv PLC	United States	Consumer Discretionary	209	24	23
Aqua America Inc.	United States	Utilities	306	13	13
Aramark Corp.	United States	Consumer Discretionary	418	21	21



MACKENZIE
Investments

MACKENZIE MAXIMUM DIVERSIFICATION US INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

STRATEGIC BETA INDEX 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)
EQUITIES (cont'd)					
Arch Capital Group Ltd.	United States	Financials	228	27	25
Archer-Daniels-Midland Co.	United States	Consumer Staples	943	52	53
Arista Networks Inc.	United States	Information Technology	87	21	29
Arthur J. Gallagher & Co.	United States	Financials	119	11	11
AT&T Inc.	United States	Telecommunication Services	10,075	506	463
Athenahealth Inc.	United States	Health Care	1,085	194	200
Athene Holding Ltd.	United States	Financials	232	15	14
Atmos Energy Corp.	United States	Utilities	189	21	21
Autoliv Inc.	Sweden	Consumer Discretionary	150	23	28
Automatic Data Processing Inc.	United States	Information Technology	299	45	44
AutoZone Inc.	United States	Consumer Discretionary	380	328	318
AvalonBay Communities Inc.	United States	Real Estate	238	55	50
Avery Dennison Corp.	United States	Materials	151	22	21
Axalta Coating Systems Ltd.	United States	Materials	3,752	150	146
Baker Hughes a GE Co.	United States	Energy	3,618	170	130
Ball Corp.	United States	Materials	599	32	31
Bank of the Ozarks Inc.	United States	Financials	208	14	13
Baxter International Inc.	United States	Health Care	595	43	50
BB&T Corp.	United States	Financials	204	12	14
Becton, Dickinson and Co.	United States	Health Care	458	113	128
Berry Global Group Inc.	United States	Materials	226	17	16
Best Buy Co. Inc.	United States	Consumer Discretionary	8,201	564	739
Biogen Inc.	United States	Health Care	364	137	129
BioMarin Pharmaceutical Inc.	United States	Health Care	255	29	27
Bluebird Bio Inc.	United States	Health Care	215	50	47
Booking Holdings Inc.	United States	Consumer Discretionary	84	197	225
Booz Allen Hamilton Holding Corp.	United States	Information Technology	248	11	12
Boston Properties Inc.	United States	Real Estate	265	44	42
Boston Scientific Corp.	United States	Health Care	440	15	15
Bristol-Myers Squibb Co.	United States	Health Care	6,334	488	517
Brown & Brown Inc.	United States	Financials	396	13	13
Brown-Forman Corp. Class B non-voting	United States	Consumer Staples	1,326	83	93
Bunge Ltd.	United States	Consumer Staples	4,841	455	461
Burlington Stores Inc.	United States	Consumer Discretionary	424	53	73
C.H. Robinson Worldwide Inc.	United States	Industrials	1,081	107	131
CA Inc.	United States	Information Technology	540	24	24
Cabot Oil & Gas Corp.	United States	Energy	6,338	202	196
Caesars Entertainment Corp.	United States	Consumer Discretionary	1,023	16	15
Camden Property Trust	United States	Real Estate	157	18	17
Campbell Soup Co.	United States	Consumer Staples	3,687	236	206
Cardinal Health Inc.	United States	Health Care	542	51	44
Carlisle Companies Inc.	United States	Industrials	105	14	14
CarMax Inc.	United States	Consumer Discretionary	161	13	13
Carnival Corp.	United States	Consumer Discretionary	705	55	60
Cboe Global Markets Inc.	United States	Financials	1,526	194	224
CBS Corp. Class B non-voting	United States	Consumer Discretionary	575	43	38
CDK Global Inc.	United States	Information Technology	232	21	19
CDW Corp. of Delaware	United States	Information Technology	261	26	24
Celgene Corp.	United States	Health Care	1,297	178	149



MACKENZIE
Investments

MACKENZIE MAXIMUM DIVERSIFICATION US INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

STRATEGIC BETA INDEX 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)
EQUITIES (cont'd)					
Centene Corp.	United States	Health Care	289	30	40
CenterPoint Energy Inc.	United States	Utilities	727	25	26
CenturyLink Inc.	United States	Telecommunication Services	2,387	60	51
Cerner Corp.	United States	Health Care	549	44	41
CF Industries Holdings Inc.	United States	Materials	7,014	290	341
Charter Communications Inc. Class A	United States	Consumer Discretionary	365	152	146
Check Point Software Technologies Ltd.	Israel	Information Technology	490	65	63
Chenerie Energy Inc.	United States	Energy	349	21	24
Chevron Corp.	United States	Energy	501	74	74
Chipotle Mexican Grill Inc.	United States	Consumer Discretionary	950	464	396
Chubb Ltd.	United States	Financials	520	96	92
Church & Dwight Co. Inc.	United States	Consumer Staples	715	46	46
Cigna Corp.	United States	Health Care	420	87	91
Cimarex Energy Co.	United States	Energy	287	41	35
Cincinnati Financial Corp.	United States	Financials	268	26	26
Cisco Systems Inc.	United States	Information Technology	3,246	140	179
CIT Group Inc.	United States	Financials	211	15	14
Citizens Financial Group Inc.	United States	Financials	486	23	26
The Clorox Co.	United States	Consumer Staples	2,782	463	477
CME Group Inc.	United States	Financials	585	98	122
CMS Energy Corp.	United States	Utilities	2,975	173	174
The Coca-Cola Co.	United States	Consumer Staples	6,619	374	371
Coca-Cola European Partners PLC	United Kingdom	Consumer Staples	679	34	36
Cognizant Technology Solutions Corp.	United States	Information Technology	979	86	102
Colgate Palmolive Co.	United States	Consumer Staples	2,175	199	201
Colony NorthStar Inc. Class A	United States	Real Estate	9,386	83	68
Comcast Corp. Class A	United States	Consumer Discretionary	2,188	109	96
CommScope Holding Co. Inc.	United States	Information Technology	1,602	72	83
ConAgra Brands Inc.	United States	Consumer Staples	3,589	174	171
Concho Resources Inc.	United States	Energy	255	41	49
ConocoPhillips	United States	Energy	2,028	125	155
Consolidated Edison Inc.	United States	Utilities	5,309	538	533
Constellation Brands Inc. Class A	United States	Consumer Staples	1,003	237	295
The Cooper Companies Inc.	United States	Health Care	84	24	25
CoStar Group Inc.	United States	Industrials	61	27	29
Costco Wholesale Corp.	United States	Consumer Staples	746	161	181
Coty Inc. Class A	United States	Consumer Staples	9,635	230	227
Crown Castle International Corp.	United States	Real Estate	980	126	138
CSX Corp.	United States	Industrials	1,598	103	115
Cullen/Frost Bankers Inc.	United States	Financials	101	14	14
Cummins Inc.	United States	Industrials	74	16	15
CVS Health Corp.	United States	Consumer Staples	2,533	255	203
Darden Restaurants Inc.	United States	Consumer Discretionary	735	80	81
DAVITA Inc.	United States	Health Care	565	49	48
Deere & Co.	United States	Industrials	557	89	112
Dell Technologies Inc.	United States	Information Technology	351	36	33
Dentsply Sirona Inc.	United States	Health Care	502	39	33
Devon Energy Corp.	United States	Energy	2,037	90	83



MACKENZIE
Investments

MACKENZIE MAXIMUM DIVERSIFICATION US INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

STRATEGIC BETA INDEX 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)
EQUITIES (cont'd)					
Diamondback Energy Inc.	United States	Energy	168	21	27
Digital Realty Trust Inc.	United States	Real Estate	1,756	240	239
DISH Network Corp. Class A	United States	Consumer Discretionary	381	23	19
Dollar General Corp.	United States	Consumer Discretionary	5,538	567	668
Dollar Tree Inc.	United States	Consumer Discretionary	1,827	203	224
Dominion Resources Inc.	United States	Utilities	1,818	180	158
Domino's Pizza Inc.	United States	Consumer Discretionary	256	62	77
Donaldson Co. Inc.	United States	Industrials	126	7	7
Douglas Emmett Inc.	United States	Real Estate	280	14	13
DowDuPont Inc.	United States	Materials	1,476	124	121
Duke Realty Corp.	United States	Real Estate	615	22	21
DXC Technology Co.	United States	Information Technology	63	9	8
E*TRADE Financial Corp.	United States	Financials	222	12	16
eBay Inc.	United States	Information Technology	1,645	72	85
Edison International	United States	Utilities	2,287	214	188
Edwards Lifesciences Corp.	United States	Health Care	3,408	466	613
Electronic Arts Inc.	United States	Information Technology	3,776	486	590
Eli Lilly and Co.	United States	Health Care	1,675	169	167
Energen Corp.	United States	Energy	166	11	13
EOG Resources Inc.	United States	Energy	995	124	135
EQT Corp.	United States	Energy	1,580	127	97
Equifax Inc.	United States	Industrials	539	85	82
Equinix Inc.	United States	Real Estate	180	97	97
Equity Lifestyle Properties Inc.	United States	Real Estate	857	92	97
Equity Residential	United States	Real Estate	627	52	50
Essex Property Trust Inc.	United States	Real Estate	274	87	85
The Estée Lauder Companies Inc. Class A	United States	Consumer Staples	415	62	80
Everest Re Group Ltd.	United States	Financials	332	101	110
Eversource Energy	United States	Utilities	2,648	202	201
Exact Sciences Corp.	United States	Health Care	1,906	129	99
Exelixis Inc.	United States	Health Care	7,430	222	212
Exelon Corp.	United States	Utilities	5,655	264	284
Expedia Inc.	United States	Consumer Discretionary	671	102	96
Expeditors International of Washington Inc.	United States	Industrials	302	23	25
Express Scripts Holding Co.	United States	Health Care	1,095	99	98
Extra Space Storage Inc.	United States	Real Estate	3,865	401	435
F5 Networks Inc.	United States	Information Technology	107	18	20
Facebook Inc.	United States	Information Technology	3,161	595	651
FactSet Research Systems Inc.	United States	Financials	66	19	17
Fastenal Co.	United States	Industrials	495	31	35
Federal Realty Investment Trust	United States	Real Estate	126	21	19
Fidelity National Information Services Inc.	United States	Information Technology	479	54	59
Fifth Third Bancorp	United States	Financials	1,196	42	49
First American Financial Corp.	United States	Financials	185	14	14
First Horizon National Corp.	United States	Financials	555	14	13
First Republic Bank	United States	Financials	275	35	33
Fiserv Inc.	United States	Information Technology	99	10	9
FleetCor Technologies Inc.	United States	Information Technology	154	39	40



MACKENZIE
Investments

MACKENZIE MAXIMUM DIVERSIFICATION US INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

STRATEGIC BETA INDEX 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)
EQUITIES (cont'd)					
FLIR Systems Inc.	United States	Information Technology	237	14	15
Flowserve Corp.	United States	Industrials	224	13	13
FMC Corp.	United States	Materials	230	26	23
FNF Group	United States	Financials	451	23	23
Foot Locker Inc.	United States	Consumer Discretionary	4,147	236	243
Forest City Realty Trust Inc. Class A	United States	Real Estate	425	13	11
Fortinet Inc.	United States	Information Technology	195	10	13
Gaming and Leisure Properties Inc.	United States	Real Estate	348	15	15
The Gap Inc.	United States	Consumer Discretionary	5,804	197	233
General Electric Co.	United States	Industrials	4,600	93	80
General Mills Inc.	United States	Consumer Staples	979	73	57
General Motors Co.	United States	Consumer Discretionary	1,828	87	86
Genuine Parts Co.	United States	Consumer Discretionary	246	29	28
GGP Inc.	United States	Real Estate	1,405	43	37
Gilead Sciences Inc.	United States	Health Care	2,247	218	218
GrubHub Inc.	United States	Information Technology	2,483	359	325
Guidewire Software Inc.	United States	Information Technology	130	14	14
H&R Block Inc.	United States	Consumer Discretionary	6,581	225	216
Halliburton Co.	United States	Energy	1,397	84	85
Hanesbrands Inc.	United States	Consumer Discretionary	2,367	68	56
Harley-Davidson Inc.	United States	Consumer Discretionary	290	20	16
The Hartford Financial Services Group Inc.	United States	Financials	615	42	41
Hasbro Inc.	United States	Consumer Discretionary	247	31	27
HCA Holdings Inc.	United States	Health Care	2,508	265	314
HCP Inc.	United States	Real Estate	2,110	79	63
HD Supply Holdings Inc.	United States	Industrials	351	17	17
Healthcare Trust of America Inc.	United States	Real Estate	353	14	12
Helmerich & Payne Inc.	United States	Energy	183	15	16
Henry Schein Inc.	United States	Health Care	261	23	23
The Hershey Co.	United States	Consumer Staples	503	71	64
Hess Corp.	United States	Energy	511	29	33
HollyFrontier Corp.	United States	Energy	304	13	19
Hologic Inc.	United States	Health Care	474	25	23
Hormel Foods Corp.	United States	Consumer Staples	465	21	21
Hubbell Inc. Class B	United States	Industrials	65	11	10
Humana Inc.	United States	Health Care	2,241	669	776
Huntington Bancshares Inc.	United States	Financials	1,571	28	31
IAC/InterActiveCorp	United States	Information Technology	131	19	26
ICON PLC	United States	Health Care	135	19	21
IDEXX Laboratories Inc.	United States	Health Care	27	6	7
IHS Markit Ltd.	United States	Industrials	568	32	35
Illumina Inc.	United States	Health Care	854	194	260
Incyte Corp.	United States	Health Care	1,110	127	119
Ingredion Inc.	United States	Consumer Staples	123	20	20
Intel Corp.	United States	Information Technology	1,724	85	116
Intercontinental Exchange Inc.	United States	Financials	1,001	82	94
International Business Machines Corp.	United States	Information Technology	1,595	321	316
International Flavors & Fragrances Inc.	United States	Materials	136	23	24



MACKENZIE
Investments

MACKENZIE MAXIMUM DIVERSIFICATION US INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

STRATEGIC BETA INDEX 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)
EQUITIES (cont'd)					
The Interpublic Group of Companies Inc.	United States	Consumer Discretionary	667	17	20
Intuitive Surgical Inc.	United States	Health Care	1,422	537	756
Invitation Homes Inc.	United States	Real Estate	508	15	15
Ionis Pharmaceuticals Inc.	United States	Health Care	2,224	146	126
IPG Photonics Corp.	United States	Information Technology	55	13	17
IQVIA Holdings Inc.	United States	Health Care	146	18	18
Iron Mountain Inc.	United States	Real Estate	473	21	20
J.B. Hunt Transport Services Inc.	United States	Industrials	150	20	23
J.M. Smucker Co.	United States	Consumer Staples	684	110	109
Janus Henderson Group PLC	United Kingdom	Financials	348	16	15
Jazz Pharmaceuticals PLC	United States	Health Care	100	18	19
JetBlue Airways Corp.	United States	Industrials	553	16	14
Johnson & Johnson	United States	Health Care	1,867	313	308
Johnson Controls International PLC	United States	Industrials	366	20	17
Jones Lang LaSalle Inc.	United States	Real Estate	52	12	12
Juniper Networks Inc.	United States	Information Technology	579	20	18
Kellogg Co.	United States	Consumer Staples	742	67	62
KeyCorp	United States	Financials	925	21	23
Kilroy Realty Corp.	United States	Real Estate	83	8	8
Kimberly-Clark Corp.	United States	Consumer Staples	604	94	86
Kimco Realty Corp.	United States	Real Estate	6,521	142	121
Knight Transportation Inc.	United States	Industrials	1,056	69	63
Kohl's Corp.	United States	Consumer Discretionary	4,551	285	384
The Kraft Heinz Co.	United States	Consumer Staples	1,039	111	83
The Kroger Co.	United States	Consumer Staples	19,125	651	590
L Brands Inc.	United States	Consumer Discretionary	406	27	20
Lamar Advertising Co. Class A	United States	Real Estate	144	13	12
Lamb Weston Holdings Inc.	United States	Consumer Staples	252	18	19
Las Vegas Sands Corp.	United States	Consumer Discretionary	575	47	53
Lennox International Inc.	United States	Industrials	36	8	9
Liberty Broadband Corp.	United States	Consumer Discretionary	180	20	20
Liberty Global PLC Class A	United Kingdom	Consumer Discretionary	1,067	46	43
Liberty Global PLC Series C	United Kingdom	Consumer Discretionary	1,255	52	49
Liberty Interactive Corp. QVC Group	United States	Consumer Discretionary	774	24	25
Liberty Media Corp. Liberty Formula One Class C	United States	Consumer Discretionary	489	22	19
Liberty Media Corp. Liberty SiriusXM	United States	Consumer Discretionary	625	34	33
Liberty Property Trust	United States	Real Estate	174	9	9
Live Nation Entertainment Inc.	United States	Consumer Discretionary	234	13	13
Lowe's Companies Inc.	United States	Consumer Discretionary	1,124	117	127
Lululemon Athletica Inc.	United States	Consumer Discretionary	3,371	275	387
M&T Bank Corp.	United States	Financials	180	37	43
The Macerich Co.	United States	Real Estate	355	28	26
Macy's Inc.	United States	Consumer Discretionary	6,527	238	250
Marathon Oil Corp.	United States	Energy	11,185	190	233
Markel Corp.	United States	Financials	24	33	36
MarketAxess Holdings Inc.	United States	Financials	238	67	67
Marsh & McLennan Companies Inc.	United States	Financials	502	55	53
Martin Marietta Materials Inc.	United States	Materials	31	9	8



MACKENZIE
Investments

MACKENZIE MAXIMUM DIVERSIFICATION US INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

STRATEGIC BETA INDEX 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)
EQUITIES (cont'd)					
Marvell Technology Group Ltd.	Bermuda	Information Technology	3,236	71	88
Mattel Inc.	United States	Consumer Discretionary	11,838	276	201
Maxim Integrated Products Inc.	United States	Information Technology	142	12	11
McCormick & Co. Inc. non-voting	United States	Consumer Staples	255	33	35
McDonald's Corp.	United States	Consumer Discretionary	1,373	252	277
McKesson Corp.	United States	Health Care	533	105	97
MDU Resources Group Inc.	United States	Utilities	334	12	12
Medtronic PLC	United States	Health Care	1,263	132	131
MercadoLibre Inc.	Argentina	Information Technology	61	30	28
Merck & Co. Inc.	United States	Health Care	4,288	333	301
MetLife Inc.	United States	Financials	971	61	57
Michael Kors Holdings Ltd.	United States	Consumer Discretionary	5,026	305	402
Micron Technology Inc.	United States	Information Technology	1,064	71	72
Microsoft Corp.	United States	Information Technology	570	52	67
Mid-America Apartment Communities Inc.	United States	Real Estate	205	27	24
Mohawk Industries Inc.	United States	Consumer Discretionary	40	13	12
Molson Coors Brewing Co. Class B	United States	Consumer Staples	312	36	30
Mondelez International Inc.	United States	Consumer Staples	1,464	82	79
Monster Beverage Corp.	United States	Consumer Staples	4,464	298	329
The Mosaic Co.	United States	Materials	606	20	19
Mylan NV	United States	Health Care	1,861	94	99
Nasdaq Inc.	United States	Financials	199	19	22
National Oilwell Varco Inc.	United States	Energy	656	30	31
National Retail Properties Inc.	United States	Real Estate	349	19	18
Nektar Therapeutics	United States	Health Care	1,637	200	224
Nefflix Inc.	United States	Consumer Discretionary	2,092	449	796
Neurocrine Biosciences Inc.	United States	Health Care	1,748	180	187
New York Community Bancorp Inc.	United States	Financials	818	14	14
Newell Brands Inc.	United States	Consumer Discretionary	4,886	185	161
Newfield Exploration Co.	United States	Energy	1,709	61	54
Newmont Mining Corp.	United States	Materials	16,604	760	835
NextEra Energy Inc.	United States	Utilities	1,466	261	309
Nielsen Holdings PLC	United States	Industrials	1,161	58	48
Nike Inc. Class B	United States	Consumer Discretionary	2,205	158	189
NiSource Inc.	United States	Utilities	580	18	18
Noble Energy Inc.	United States	Energy	3,312	121	129
Nordson Corp.	United States	Industrials	233	39	41
Nordstrom Inc.	United States	Consumer Discretionary	200	13	12
Northern Trust Corp.	United States	Financials	255	30	34
Norwegian Cruise Line Holdings Ltd.	United States	Consumer Discretionary	160	11	11
NVIDIA Corp.	United States	Information Technology	1,564	301	467
NVR Inc.	United States	Consumer Discretionary	6	19	22
Occidental Petroleum Corp.	United States	Energy	1,318	112	110
OGE Energy Corp.	United States	Utilities	344	15	15
Olin Corp.	United States	Materials	286	12	11
Omega Healthcare Investors Inc.	United States	Real Estate	552	21	19
Omnicom Group Inc.	United States	Consumer Discretionary	395	38	37
ONEOK Inc.	United States	Energy	575	41	42
Oracle Corp.	United States	Information Technology	569	36	34



MACKENZIE
Investments

MACKENZIE MAXIMUM DIVERSIFICATION US INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

STRATEGIC BETA INDEX 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)
EQUITIES (cont'd)					
O'Reilly Automotive Inc.	United States	Consumer Discretionary	603	184	192
Oshkosh Corp.	United States	Industrials	128	13	13
PACCAR Inc.	United States	Industrials	70	6	6
PacWest Bancorp	United States	Financials	202	14	13
Palo Alto Networks Inc.	United States	Information Technology	1,109	201	260
Parsely Energy Inc. Class A	United States	Energy	4,131	140	154
Paychex Inc.	United States	Information Technology	173	15	14
PayPal Holdings Inc.	United States	Information Technology	1,054	75	103
PepsiCo Inc.	United States	Consumer Staples	2,448	346	344
Perrigo Co. PLC	United States	Health Care	4,220	449	453
Pfizer Inc.	United States	Health Care	5,817	258	266
PG&E Corp.	United States	Utilities	7,844	582	444
Pinnacle Foods Inc.	United States	Consumer Staples	204	15	14
Pinnacle West Capital Corp.	United States	Utilities	738	78	76
Pioneer Natural Resources Co.	United States	Energy	685	137	152
PNC Financial Services Group Inc.	United States	Financials	130	22	25
Polaris Industries Inc.	United States	Consumer Discretionary	101	13	15
PPL Corp.	United States	Utilities	1,569	71	57
The Procter & Gamble Co.	United States	Consumer Staples	4,420	497	452
The Progressive Corp.	United States	Financials	1,052	61	83
ProLogis Inc.	United States	Real Estate	218	18	18
Public Service Enterprise Group Inc.	United States	Utilities	968	57	63
Public Storage	United States	Real Estate	946	256	244
PVH Corp.	United States	Consumer Discretionary	132	21	26
Qorvo Inc.	United States	Information Technology	217	23	20
Qualcomm Inc.	United States	Information Technology	2,555	196	183
Realty Income Corp.	United States	Real Estate	2,233	163	149
Regency Centers Corp.	United States	Real Estate	364	31	28
Regeneron Pharmaceuticals Inc.	United States	Health Care	269	135	119
Regions Financial Corp.	United States	Financials	1,997	37	48
Reinsurance Group of America Inc.	United States	Financials	49	10	10
RenaissanceRe Holdings Ltd.	Bermuda	Financials	169	29	30
Republic Services Inc.	United States	Industrials	383	31	33
Ross Stores Inc.	United States	Consumer Discretionary	646	56	65
Royal Caribbean Cruises Ltd.	United States	Consumer Discretionary	226	30	34
Royal Gold Inc.	United States	Materials	2,038	222	226
Sage Therapeutics Inc.	United States	Health Care	1,309	295	272
Salesforce.com Inc.	United States	Information Technology	947	108	142
SBA Communications Corp. Class A	United States	Real Estate	416	85	92
Schlumberger Ltd.	United States	Energy	2,390	227	200
Seagate Technology	United States	Information Technology	3,595	194	271
Sealed Air Corp.	United States	Materials	286	17	16
Seattle Genetics Inc.	United States	Health Care	184	14	12
Sempra Energy	United States	Utilities	587	84	84
Service Corp. International	United States	Consumer Discretionary	143	7	7
ServiceMaster Global Holdings	United States	Consumer Discretionary	1,446	82	95
The Sherwin-Williams Co.	United States	Materials	92	40	47
Signature Bank	United States	Financials	92	16	17
Simon Property Group Inc.	United States	Real Estate	720	157	143



MACKENZIE
Investments

MACKENZIE MAXIMUM DIVERSIFICATION US INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

STRATEGIC BETA INDEX 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)
EQUITIES (cont'd)					
Sirius XM Holdings Inc.	United States	Consumer Discretionary	3,641	28	29
SL Green Realty Corp.	United States	Real Estate	155	20	19
Snap Inc.	United States	Information Technology	14,519	323	297
Snap-On Inc.	United States	Industrials	90	17	17
Southwest Airlines Co.	United States	Industrials	931	68	69
Spirit Aerosystems Holdings Inc. Class A	United States	Industrials	598	56	65
Splunk Inc.	United States	Information Technology	242	34	31
Square Inc. Class A	United States	Information Technology	448	18	28
SS&C Technologies Holdings Inc.	United States	Information Technology	300	21	21
Starbucks Corp.	United States	Consumer Discretionary	2,363	177	176
Starwood Property Trust Inc.	United States	Financials	440	12	12
Steel Dynamics Inc.	United States	Materials	392	19	22
Stericycle Inc.	United States	Industrials	2,915	283	220
Stryker Corp.	United States	Health Care	319	56	66
Sun Communities Inc.	United States	Real Estate	148	17	17
Symantec Corp.	United States	Information Technology	1,064	38	35
Synchrony Financial	United States	Financials	1,097	46	47
Sysco Corp.	United States	Consumer Staples	822	60	64
Take-Two Interactive Software Inc.	United States	Information Technology	195	20	25
Tapestry Inc.	United States	Consumer Discretionary	943	55	64
Targa Resources Corp.	United States	Energy	402	24	23
Target Corp.	United States	Consumer Discretionary	1,428	117	128
TD Ameritrade Holding Corp.	United States	Financials	417	26	32
Tesla Inc.	United States	Consumer Discretionary	304	119	104
Thermo Fisher Scientific Inc.	United States	Health Care	32	8	9
THOR Industries Inc.	United States	Consumer Discretionary	85	16	13
Tiffany & Co.	United States	Consumer Discretionary	206	24	26
The TJX Companies Inc.	United States	Consumer Discretionary	1,012	100	106
Total System Services Inc.	United States	Information Technology	286	30	32
Tractor Supply Co.	United States	Consumer Discretionary	2,762	223	224
TransDigm Group Inc.	United States	Industrials	83	28	33
TransUnion	United States	Industrials	133	10	10
The Travelers Companies Inc.	United States	Financials	467	76	84
Twitter Inc.	United States	Information Technology	19,084	496	713
Tyler Technologies Inc.	United States	Information Technology	24	5	7
Tyson Foods Inc. Class A	United States	Consumer Staples	7,361	613	695
UDR Inc.	United States	Real Estate	458	22	21
UGI Corp.	United States	Utilities	296	18	17
Ulta Beauty Inc.	United States	Consumer Discretionary	499	148	131
Ultimate Software Group Inc.	United States	Information Technology	50	16	16
Union Pacific Corp.	United States	Industrials	610	88	106
United Continental Holdings Inc.	United States	Industrials	449	42	40
United Parcel Service Inc. (UPS) Class B	United States	Industrials	1,189	175	160
United States Steel Corp.	United States	Materials	1,088	57	49
United Therapeutics Corp.	United States	Health Care	72	13	10
UnitedHealth Group Inc.	United States	Health Care	1,483	349	409
Universal Display Corp.	United States	Information Technology	118	23	15
Universal Health Services Inc. Class B	United States	Health Care	550	80	84
Vail Resorts Inc.	United States	Consumer Discretionary	69	19	20



MACKENZIE
Investments

MACKENZIE MAXIMUM DIVERSIFICATION US INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

STRATEGIC BETA INDEX 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)
EQUITIES (cont'd)					
Valero Energy Corp.	United States	Energy	691	63	83
Varian Medical Systems Inc.	United States	Health Care	157	23	25
Veeva Systems Inc. Class A	United States	Health Care	193	19	18
Ventas Inc.	United States	Real Estate	1,058	86	68
VEREIT Inc.	United States	Real Estate	1,676	18	15
Verizon Communications Inc.	United States	Telecommunication Services	7,049	448	435
Vertex Pharmaceuticals Inc.	United States	Health Care	437	68	92
VF Corp.	United States	Consumer Discretionary	559	44	53
Viacom Inc. Class B	United States	Consumer Discretionary	6,094	251	244
VMware Inc. Class A	United States	Information Technology	888	109	139
Vornado Realty Trust	United States	Real Estate	299	28	26
Voya Financial Inc.	United States	Financials	297	16	19
Vulcan Materials Co.	United States	Materials	42	7	6
W. P. Carey Inc.	United States	Real Estate	181	15	14
W. R. Berkley Corp.	United States	Financials	161	14	15
W.W. Grainger Inc.	United States	Industrials	642	202	234
WABCO Holdings Inc.	United States	Industrials	92	17	16
Wabtec Corp.	United States	Industrials	147	14	15
Walgreens Boots Alliance Inc.	United States	Consumer Staples	1,459	152	123
The Walt Disney Co.	United States	Consumer Discretionary	1,918	257	248
Waste Management Inc.	United States	Industrials	672	65	73
Waters Corp.	United States	Health Care	48	11	12
WellCare Health Plans Inc.	United States	Health Care	564	124	141
Wells Fargo & Co.	United States	Financials	957	66	65
Welltower Inc.	United States	Real Estate	638	55	45
West Pharmaceutical Services Inc.	United States	Health Care	240	29	27
Western Digital Corp.	United States	Information Technology	202	28	24
WEX Inc.	United States	Information Technology	74	15	15
Whirlpool Corp.	United States	Consumer Discretionary	121	25	24
The Williams Companies Inc.	United States	Energy	1,205	46	39
Willis Towers Watson PLC	United States	Financials	216	45	42
Worldpay Inc.	United States	Information Technology	517	50	55
Wynn Resorts Ltd.	United States	Consumer Discretionary	2,225	404	523
Xerox Corp.	United States	Information Technology	422	17	16
Xilinx Inc.	United States	Information Technology	96	8	9
XL Group PLC	Bermuda	Financials	993	51	71
Xylem Inc.	United States	Industrials	310	31	31
Yum China Holdings Inc.	China	Consumer Discretionary	636	33	34
Yum! Brands Inc.	United States	Consumer Discretionary	192	20	21
Zayo Group Holdings Inc.	United States	Telecommunication Services	360	16	16
Zebra Technologies Corp. Class A	United States	Information Technology	91	17	16
Zimmer Biomet Holdings Inc.	United States	Health Care	349	52	49
Zions Bancorporation	United States	Financials	268	15	18
Zoetis Inc.	United States	Health Care	581	45	63
Total equities				50,448	53,451



MACKENZIE
Investments

MACKENZIE MAXIMUM DIVERSIFICATION US INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

STRATEGIC BETA INDEX 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)
EXCHANGE-TRADED FUNDS/NOTES					
iShares Core S&P 500 ETF	United States	Exchange-Traded Funds/Notes	96	34	33
Total exchange-traded funds/notes				34	33
Transaction costs				(3)	—
Total investments				50,479	53,484
Cash and cash equivalents					51
Other assets less liabilities					32
Total net assets					53,567



MACKENZIE
Investments

—

MACKENZIE MAXIMUM DIVERSIFICATION US INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

STRATEGIC BETA INDEX ETF

SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2018	
Portfolio Allocation	% of NAV
Equities	99.7
Cash and short-term investments	0.1
Exchange-traded funds/notes	0.1
Other assets (liabilities)	0.1

Regional Allocation	
Regional Allocation	% of NAV
United States	98.8
Bermuda	0.3
United Kingdom	0.3
Cash and short-term investments	0.1
Israel	0.1
China	0.1
Other assets (liabilities)	0.1
Sweden	0.1
Argentina	0.1

Sector Allocation	
Sector Allocation	% of NAV
Consumer discretionary	21.4
Health care	19.5
Information technology	15.4
Consumer staples	11.9
Financials	6.1
Real estate	5.5
Utilities	5.2
Energy	4.8
Industrials	4.3
Materials	3.8
Telecommunication services	1.8
Cash and short-term investments	0.1
Exchange-traded funds/notes	0.1
Other assets (liabilities)	0.1

March 31, 2017	
Portfolio Allocation	% of NAV
Equities	99.9
Other assets (liabilities)	0.1

Regional Allocation	
Regional Allocation	% of NAV
United States	98.9
Bermuda	0.6
Netherlands	0.2
Israel	0.1
Ireland	0.1
Other assets (liabilities)	0.1

Sector Allocation	
Sector Allocation	% of NAV
Consumer discretionary	18.6
Health care	17.3
Information technology	15.8
Consumer staples	14.7
Utilities	7.5
Energy	5.3
Real estate	4.8
Financials	4.6
Industrials	4.6
Materials	3.4
Telecommunication services	3.3
Other assets (liabilities)	0.1



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.

In addition to the applicable management fee, the operating expenses payable by the ETF include interest and borrowing costs, brokerage expenses and related transaction fees, fees and expenses relating to the operation of the Mackenzie ETFs' Independent Review Committee (IRC), fees under any derivative instrument used by the ETF, cost of complying with the regulatory requirement to produce summary documents, ETF facts or other similar disclosure documents, the costs of complying with governmental or regulatory requirements introduced after the date of the most recently filed prospectus, including, without limitation, any new fees or increases in fees, the fees related to external services that are not commonly charged in the Canadian exchange-traded fund industry after the date of the most recently filed prospectus, fees paid to external service providers associated with tax reclaims, refunds or the preparation of foreign tax reports on behalf of the ETFs, fees paid to external legal counsel and/or others in connection with corporate or other actions affecting the portfolio holdings of the ETF, and any applicable taxes, including income, withholding or other taxes and also including G.S.T. or H.S.T. on expenses.

NOTES TO FINANCIAL STATEMENTS

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

Mackenzie may waive or absorb management fees and operating expenses at its discretion and stop waiving or absorbing such fees at any time without notice. Mackenzie may charge a reduced management fee rate with respect to investments in the ETF by large investors, including other funds managed by Mackenzie or affiliates of Mackenzie. An amount equal to the difference between the fee otherwise chargeable and the reduced fee will be distributed in cash to those unitholders by the ETF as a management fee distribution. Refer to Note 10 for the management fee rates charged to units of the ETF.

7. Units and Unit Transactions

Mackenzie, on behalf of the ETF, has entered into a designated broker agreement with one or more designated brokers pursuant to which the designated broker has agreed to perform certain duties relating to the ETF including, without limitation: (i) to subscribe for a sufficient number of units to satisfy the Exchange's original listing requirements; (ii) to subscribe for units on an ongoing basis in connection with any rebalancing event, as applicable, and when cash redemptions of units occur; and (iii) to post a liquid two-way market for the trading of units on the Exchange. In accordance with the designated broker agreement, Mackenzie may from time to time require the designated broker to subscribe for units of the ETF for cash.

The number of units issued for subscription orders (the "Prescribed Number of Units") is determined by Mackenzie. On any trading day, a designated broker may place a subscription or redemption order for an integral multiple of the Prescribed Number of Units of the ETF based on the NAV per unit determined on the applicable trading day. A trading day is each day on which the Exchange is opened for business.

Generally, all orders to purchase units directly from an ETF must be placed by a designated broker or a dealer. The ETF reserves the absolute right to reject any subscription order placed by a designated broker or a dealer. No fees will be payable by the ETF to a designated broker or a dealer in connection with the issuance of units. On the issuance of units, an amount may be charged to a designated broker or a dealer to offset the expenses incurred in issuing the units.

For each Prescribed Number of Units issued, a dealer must deliver payment consisting of: (i) a basket of securities and cash equal to the aggregate NAV per unit of the Prescribed Number of Units next determined following the receipt of the subscription order; (ii) cash in an amount equal to the aggregate NAV per unit of the Prescribed Number of Units next determined following the receipt of the subscription order; or (iii) a combination of securities and cash, as determined by Mackenzie, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate NAV per unit of the Prescribed Number of Units next determined following the receipt of the subscription order.

8. ETF's Capital

The capital of the ETF is comprised of the net assets attributable to unitholders. The units outstanding for the ETF as at March 31, 2018 and 2017 and units issued, reinvested and redeemed for the periods are presented in the Statement of Changes in Financial Position. Mackenzie manages the capital of the ETF in accordance with the investment objectives as discussed in Note 10.

9. Financial Instruments Risk

i. Risk exposure and management

The ETF's investment activities expose it to a variety of financial risks, as defined in IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7"). The ETF's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, as at March 31, 2018, grouped by asset type, with geographic and sector information.

Mackenzie seeks to minimize potential adverse effects of financial risks on the ETF's performance by employing professional, experienced portfolio advisors, by monitoring the ETF's positions and market events daily, by diversifying the investment portfolio within the constraints of the ETF's investment objectives, and where applicable, by using derivatives to hedge certain risk exposures. To assist in managing risks, Mackenzie also maintains a governance structure that oversees the ETF's investment activities and monitors compliance with the ETF's stated investment strategy, internal guidelines, and securities regulations.

ii. Liquidity risk

Liquidity risk arises when the ETF encounters difficulty in meeting its financial obligations as they come due. The ETF is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. In accordance with securities regulations, the ETF must maintain at least 90% of its assets in liquid investments (i.e., investments that can be readily sold). The ETF also has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions and an additional 5% of its net assets for the purpose of funding distributions paid to its investors.

NOTES TO FINANCIAL STATEMENTS

9. Financial Instruments Risk (cont'd)

iii. Currency risk

Currency risk arises when the fair value of financial instruments that are denominated in a currency other than the Canadian dollar, which is the ETF's reporting currency, fluctuates due to changes in exchange rates. Note 10 summarizes the ETF's exposure, if applicable and significant, to currency risk.

iv. Interest rate risk

Interest rate risk arises when the fair value of interest-bearing financial instruments fluctuates due to changes in the prevailing levels of market interest rates. Cash and cash equivalents do not expose the ETF to significant amounts of interest rate risk. Note 10 summarizes the ETF's exposure, if applicable and significant, to interest rate risk.

v. Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. This risk is managed through a careful selection of investments and other financial instruments within the parameters of the investment strategies. Except for certain derivative contracts, the maximum risk resulting from financial instruments is equivalent to their fair value. The maximum risk of loss on certain derivative contracts such as forwards, swaps, and futures contracts is equal to their notional values. In the case of written call (put) options and short futures contracts, the loss to the ETF continues to increase, without limit, as the fair value of the underlying interest increases (decreases). However, these instruments are generally used within the overall investment management process to manage the risk from the underlying investments and do not typically increase the overall risk of loss to the ETF. This risk is mitigated by ensuring that the ETF holds a combination of the underlying interest, cash cover and/or margin that is equal to or greater than the value of the derivative contract. Note 10 summarizes the ETF's exposure, if applicable and significant, to other price risk.

vi. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the ETF. Note 10 summarizes the ETF's exposure, if applicable and significant, to credit risk.

All transactions in listed securities are executed with approved brokers. To minimize the possibility of settlement default, securities are exchanged for payment simultaneously, where market practices permit, through the facilities of a central depository and/or clearing agency where customary.

The carrying amount of investments and other assets represents the maximum credit risk exposure as at the date of the Statement of Financial Position.

The ETF may enter into securities lending transactions with counterparties and it may also be exposed to credit risk from the counterparties to the derivative instruments it may use. Credit risk associated with these transactions is considered minimal as all counterparties have a rating equivalent to a designated rating organization's credit rating of not less than A-1 (low) on their short-term debt and of A on their long-term debt, as applicable.

vii. Underlying ETFs

The ETF may invest in underlying ETFs and may be indirectly exposed to currency risk, interest rate risk, other price risk and credit risk from fluctuations in the value of financial instruments held by the underlying ETFs. Note 10 summarizes the ETF's exposure, if applicable and significant, to these risks from underlying ETF.



MACKENZIE MAXIMUM DIVERSIFICATION US INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

STRATEGIC BETA INDEX ETF

NOTES TO FINANCIAL STATEMENTS

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

(a) ETF Formation and Series Information

Date of Formation June 3, 2016

The ETF may issue an unlimited number of units. The number of issued and outstanding units is disclosed in the Statements of Changes in Financial Position.

Series E units were listed on the TSX under the symbol MUS on June 21, 2016. 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 \$24.38 (2017 – \$22.46).

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

As at March 31, 2018 and 2017, the ETF's NAV per unit was \$24.38 (2017 – \$22.46) and its Net Assets per unit calculated in accordance with IFRS was \$24.35 (2017 – \$22.50).

(b) Investments by Mackenzie and Affiliates

As at March 31, 2018, other funds managed by Mackenzie had an investment of \$13,179 (2017 – \$4,860) 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 and 2017, were as follows:

	March 31, 2018	March 31, 2017
	(\$)	(\$)
Value of securities loaned	917	–
Value of collateral received	960	–

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

(e) Offsetting of Financial Assets and Liabilities

As at March 31, 2018 and 2017, there were no amounts subject to offsetting.

(f) Risks Associated with Financial Instruments

i. Risk exposure and management

The ETF seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the TOBAM Maximum Diversification USA Index, or any successor thereto. It invests primarily in U.S. equity securities.

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	53,484	12	–	53,496
Total	53,484	12	–	53,496
% of Net Assets	99.8	–	–	99.8



MACKENZIE
Investments

MACKENZIE MAXIMUM DIVERSIFICATION US INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2018

STRATEGIC BETA INDEX 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 (cont'd)

Currency	March 31, 2017			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
U.S. dollar	29,233	10	–	29,243
Total	29,233	10	–	29,243
% of Net Assets	99.9	–	–	99.9

* 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 \$2,675 or 5.0% of total net assets (2017 – \$1,462 or 5.0%). In practice, the actual trading results may differ and the difference could be material.

iii. Interest rate risk

As at March 31, 2018 and 2017, the ETF did not have a significant exposure to interest rate risk.

iv. Other price risk

The ETF's most significant exposure to price risk arises from its investment in equity securities. As at March 31, 2018, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased by approximately \$5,348 or 10.0% of total net assets (2017 – \$2,923 or 10.0%). In practice, the actual trading results may differ and the difference could be material.

v. Credit risk

As at March 31, 2018 and 2017, the ETF did not have a significant exposure to credit risk.

(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				March 31, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	53,451	–	–	53,451	29,233	–	–	29,233
Exchange-traded funds/notes	33	–	–	33	–	–	–	–
Total	53,484	–	–	53,484	29,233	–	–	29,233

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.

In accordance with the ETF's valuation policy, the ETF applies fair value adjustment factors to the quoted market prices for non-North American equities when North American intraday stock market movements exceed pre-determined tolerances. The adjustment factors are applied in order to estimate the impact on fair values of events occurring between the close of the non-North American stock markets and the close of business for the ETF. If fair value adjustment factors are applied, non-North American equities are classified as Level 2. Consequently, during the period ended March 31, 2018, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at March 31, 2018, these securities were classified as Level 1 (2017 – Level 1).



MACKENZIE
Investments