

MACKENZIE EMERGING MARKETS BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

MANAGEMENT REPORT

Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by Mackenzie Financial Corporation, as Manager of Mackenzie Emerging Markets Bond Index ETF (CAD-Hedged) (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 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.

Effective March 31, 2023, KPMG LLP was appointed as 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 unitholders its opinion on the financial statements. Its report is set out below.

On behalf of Mackenzie Financial Corporation,
Manager of the ETF



Luke Gould
President and Chief Executive Officer



Terry Rountes
Chief Financial Officer, Funds

June 5, 2023

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Mackenzie Emerging Markets Bond Index ETF (CAD-Hedged) (the "ETF")

Opinion

We have audited the financial statements of the ETF, which comprise:

- the statement of financial position as at March 31, 2023
- the statement of comprehensive income for the period then ended as indicated in note 1
- the statement of changes in financial position for the period then ended as indicated in note 1
- the statement of cash flows for the period then ended as indicated in note 1 and
- notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the ETF as at March 31, 2023, and its financial performance and cash flows for the period then ended as indicated in note 1 in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.

We are independent of the ETF in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Matter – Comparative Information

The financial statements for the period ended March 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 15, 2022.



MACKENZIE
Investments

MACKENZIE EMERGING MARKETS BOND INDEX ETF (CAD-HEDGED)

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INDEPENDENT AUDITOR'S REPORT (cont'd)

Other Information

Management is responsible for the other information. Other information comprises:

– the information included in the Annual Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in the Annual Management Report of Fund Performance filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), 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.

In preparing the financial statements, management is responsible for assessing the ETF's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the ETF or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the ETF.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ETF's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the ETF to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this independent auditor's report is Jacob Smolack.

Toronto, Ontario
June 5, 2023

MACKENZIE EMERGING MARKETS BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

STATEMENTS OF FINANCIAL POSITION

at March 31 (in \$ 000 except per unit amounts)

	2023	2022
	\$	\$
ASSETS		
Current assets		
Investments at fair value	251,132	494,517
Cash and cash equivalents	1,817	5,619
Accrued interest receivable	3,463	6,282
Accounts receivable for investments sold	–	–
Accounts receivable for units issued	–	–
Margin on derivatives	15	110
Derivative assets	1,361	10,065
Total assets	257,788	516,593
LIABILITIES		
Current liabilities		
Accounts payable for investments purchased	–	–
Accounts payable for units redeemed	–	–
Due to manager	109	218
Derivative liabilities	119	637
Total liabilities	228	855
Net assets attributable to unitholders	257,560	515,738

	Net assets attributable to unitholders (note 3)			
	per unit		per series	
	2023	2022	2023	2022
CAD Units	75.75	85.25	257,560	515,738

STATEMENTS OF COMPREHENSIVE INCOME

for the periods ended March 31 (in \$ 000 except per unit amounts)

	2023	2022
	\$	\$
Income		
Interest income for distribution purposes	17,431	23,005
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(76,727)	(32,634)
Net unrealized gain (loss)	24,197	(28,839)
Securities lending income	6	10
Other	696	647
Total income (loss)	(34,397)	(37,811)
Expenses (note 6)		
Management fees	1,617	2,593
Management fee rebates	(1,682)	(2,508)
Interest charges	46	7
Commissions and other portfolio transaction costs	–	12
Independent Review Committee fees	1	2
Expenses before amounts absorbed by Manager	(18)	106
Expenses absorbed by Manager	–	–
Net expenses	(18)	106
Increase (decrease) in net assets attributable to unitholders from operations before tax	(34,379)	(37,917)
Foreign withholding tax expense (recovery)	1	52
Foreign income tax expense (recovery)	–	–
Increase (decrease) in net assets attributable to unitholders from operations	(34,380)	(37,969)

	Increase (decrease) in net assets attributable to unitholders from operations (note 3)			
	per unit		per series	
	2023	2022	2023	2022
CAD Units	(8.11)	(6.79)	(34,380)	(37,969)

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

MACKENZIE EMERGING MARKETS BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

STATEMENTS OF CHANGES IN FINANCIAL POSITION

for the periods ended March 31 (in \$ 000 except per unit amounts)

	CAD Units	
	2023	2022
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		
Beginning of period	515,738	452,791
Increase (decrease) in net assets from operations	(34,380)	(37,969)
Distributions paid to unitholders:		
Investment income	(16,803)	(19,569)
Capital gains	(235)	–
Management fee rebates	(1,682)	(2,508)
Total distributions paid to unitholders	(18,720)	(22,077)
Unit transactions:		
Proceeds from units issued	11,462	187,690
Reinvested distributions	235	–
Payments on redemption of units	(216,775)	(64,697)
Total unit transactions	(205,078)	122,993
Increase (decrease) in net assets attributable to unitholders	(258,178)	62,947
End of period	257,560	515,738
Increase (decrease) in units (in thousands) (note 7):	Units	
Units outstanding – beginning of period	6,050	4,800
Issued	150	1,950
Reinvested distributions	–	–
Redeemed	(2,800)	(700)
Units outstanding – end of period	3,400	6,050

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MACKENZIE EMERGING MARKETS BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

STATEMENTS OF CASH FLOWS

for the periods ended March 31 (in \$ 000)

	2023	2022
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to unitholders from operations	(34,380)	(37,969)
Adjustments for:		
Net realized loss (gain) on investments	56,283	27,235
Change in net unrealized loss (gain) on investments	(24,197)	28,839
Purchase of investments	(310,791)	(869,247)
Proceeds from sale and maturity of investments	530,488	748,863
(Increase) decrease in accounts receivable and other assets	2,914	(589)
Increase (decrease) in accounts payable and other liabilities	(109)	(57)
Net cash provided by (used in) operating activities	220,208	(102,925)
Cash flows from financing activities		
Proceeds from units issued	11,462	187,690
Payments on redemption of units	(216,775)	(64,697)
Distributions paid net of reinvestments	(18,485)	(22,077)
Net cash provided by (used in) financing activities	(223,798)	100,916
Net increase (decrease) in cash and cash equivalents	(3,590)	(2,009)
Cash and cash equivalents at beginning of period	5,619	7,746
Effect of exchange rate fluctuations on cash and cash equivalents	(212)	(118)
Cash and cash equivalents at end of period	1,817	5,619
Cash	1,817	5,619
Cash equivalents	–	–
Cash and cash equivalents at end of period	1,817	5,619
Supplementary disclosures on cash flow from operating activities:		
Dividends received	–	–
Foreign taxes paid	1	52
Interest received	20,250	22,319
Interest paid	46	7

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

MACKENZIE EMERGING MARKETS BOND INDEX ETF (CAD-HEDGED)

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SCHEDULE OF INVESTMENTS

as at March 31, 2023

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
BONDS					
Abu Dhabi Crude Oil Pipeline LLC 4.60% 11-02-2047	United Arab Emirates	Corporate - Non Convertible	USD 436,000	665	551
Abu Dhabi National Energy Co. PJSC 3.88% 05-06-2024	United Arab Emirates	Corporate - Non Convertible	USD 663,000	922	885
Abu Dhabi National Energy Co. PJSC 4.38% 06-22-2026	United Arab Emirates	Corporate - Non Convertible	USD 200,000	290	269
Abu Dhabi National Energy Co. PJSC 4.00% 10-03-2049	United Arab Emirates	Corporate - Non Convertible	USD 103,000	142	119
Abu Dhabi National Energy Co. PJSC 3.40% 04-29-2051	United Arab Emirates	Corporate - Non Convertible	USD 416,000	551	431
Aeropuerto Internacional de Tocumen SA 5.13% 08-11-2061	Panama	Corporate - Non Convertible	USD 264,000	357	277
Arab Republic of Egypt 5.88% 06-11-2025	Egypt	Foreign Governments	USD 587,000	823	650
Banco del Estado de Chile 2.70% 01-09-2025 Callable 2024	Chile	Corporate - Non Convertible	USD 279,000	388	360
Banco do Brasil SA of Cayman 4.63% 01-15-2025	Brazil	Corporate - Non Convertible	USD 465,000	637	614
Banco Nacional de Comercio Exterior SNC 4.38% 10-14-2025	Mexico	Corporate - Non Convertible	USD 398,000	553	523
Bank of China Ltd. 5.00% 11-13-2024	China	Corporate - Non Convertible	USD 855,000	1,202	1,148
BOC Aviation Ltd. 3.50% 10-10-2024	Singapore	Corporate - Non Convertible	USD 200,000	275	263
BOC Aviation Ltd. 1.75% 01-21-2026	Singapore	Corporate - Non Convertible	USD 290,000	368	355
BOC Aviation Ltd. 3.50% 09-18-2027	Singapore	Corporate - Non Convertible	USD 235,000	321	298
CBB International Sukuk Programme Company WLL 4.50% 03-30-2027	Bahrain	Corporate - Non Convertible	USD 710,000	932	940
Centrais Eletricas Brasileiras SA 4.63% 02-04-2030	Brazil	Corporate - Non Convertible	USD 399,000	541	453
China Development Bank 3.00% 06-01-2026	China	Foreign Governments	USD 685,000	946	890
China Huarong International Holdings Ltd. 5.00% 11-19-2025	China	Corporate - Non Convertible	USD 504,000	727	591
China Overseas Finance Cayman III Ltd. 5.38% 10-29-2023	China	Corporate - Non Convertible	USD 670,000	927	905
China Overseas Land & Investments Ltd. 6.45% 06-11-2034	China	Corporate - Non Convertible	USD 350,000	605	516
China Petrochemical Corp. 4.13% 09-12-2025	China	Corporate - Non Convertible	USD 367,000	540	487
China Petrochemical Corp. 2.30% 01-08-2031	China	Corporate - Non Convertible	USD 230,000	292	268
China Petroleum & Chemical Corp. 4.25% 04-24-2043	China	Corporate - Non Convertible	USD 312,000	459	375
China Three Gorges Corp. 2.15% 09-22-2030 Callable 2030	China	Corporate - Non Convertible	USD 785,000	913	911
CITIC Ltd. 3.70% 06-14-2026	China	Corporate - Non Convertible	USD 337,000	458	440
CNAC (HK) Finbridge Company Ltd. 4.88% 03-14-2025	China	Corporate - Non Convertible	USD 955,000	1,441	1,275
CNAC HK Finbridge Co. Ltd. 3.00% 09-22-2030	China	Corporate - Non Convertible	USD 623,000	777	709
Colombia Government International Bond 4.00% 02-26-2024	Colombia	Foreign Governments	USD 276,000	391	369
Colombia Government International Bond 4.50% 01-28-2026	Colombia	Foreign Governments	USD 455,000	624	591
Comision Federal de Electricidad 4.05% 03-20-2050	Mexico	Corporate - Non Convertible	USD 990,000	1,190	994
Corp Nacional del Cobre de Chile 5.63% 10-18-2043	Chile	Corporate - Non Convertible	USD 423,000	732	570
Corp Nacional del Cobre de Chile 4.50% 09-16-2025	Chile	Corporate - Non Convertible	USD 312,000	453	417
Corp Nacional del Cobre de Chile 3.00% 09-30-2029	Chile	Corporate - Non Convertible	USD 430,000	571	520
Corp Nacional del Cobre de Chile 4.25% 07-17-2042	Chile	Corporate - Non Convertible	USD 370,000	546	421
Corp Nacional del Cobre de Chile 4.88% 11-04-2044	Chile	Corporate - Non Convertible	USD 241,000	363	301
Corp Nacional del Cobre de Chile 4.50% 08-01-2047	Chile	Corporate - Non Convertible	USD 385,000	592	448
Corp Nacional del Cobre de Chile 3.70% 01-30-2050 Callable 2049	Chile	Corporate - Non Convertible	USD 398,000	539	406
DAE Funding LLC 1.55% 08-01-2024	United Arab Emirates	Corporate - Non Convertible	USD 923,000	1,152	1,173
Development Bank of Kazakhstan JSC 5.75% 05-12-2025	Kazakhstan	Corporate - Non Convertible	USD 200,000	255	272
Dominican Republic 5.50% 01-27-2025	Dominican Republic	Foreign Governments	USD 314,000	386	421
Dominican Republic 5.95% 01-25-2027	Dominican Republic	Foreign Governments	USD 1,098,000	1,593	1,464
Dominican Republic 6.85% 01-27-2045	Dominican Republic	Foreign Governments	USD 400,000	588	532
Dominican Republic 6.40% 06-05-2049	Dominican Republic	Foreign Governments	USD 470,000	665	532
DP World Crescent Ltd. 3.75% 01-30-2030	United Arab Emirates	Corporate - Non Convertible	USD 513,000	691	648
DP World Ltd. 6.85% 07-02-2037	United Arab Emirates	Corporate - Non Convertible	USD 410,000	709	618
DP World PLC 5.63% 09-25-2048	United Arab Emirates	Corporate - Non Convertible	USD 261,000	397	342
Ecopetrol SA 5.38% 06-26-2026 Callable 2026	Colombia	Corporate - Non Convertible	USD 600,000	846	775
Ecopetrol SA 4.63% 11-02-2031	Colombia	Corporate - Non Convertible	USD 1,242,000	1,279	1,292
Ecopetrol SA 7.38% 09-18-2043	Colombia	Corporate - Non Convertible	USD 246,000	437	275
Ecopetrol SA 5.88% 11-02-2051	Colombia	Corporate - Non Convertible	USD 270,000	321	247
Emirates NBD Bank PJSC 1.64% 01-13-2026	United Arab Emirates	Corporate - Non Convertible	USD 562,000	718	693
Empresa de Transporte de Pasajeros Metro SA 4.70% 05-07-2050 Callable 2049	Chile	Corporate - Non Convertible	USD 422,000	666	502
Empresa Nacional del Petroleo 3.75% 08-05-2026	Chile	Corporate - Non Convertible	USD 435,000	596	549
Eskom Holdings SOC Ltd. 6.75% 08-06-2023	South Africa	Corporate - Non Convertible	USD 223,000	303	300
Eskom Holdings SOC Ltd. 7.13% 02-11-2025	South Africa	Corporate - Non Convertible	USD 302,000	411	402
Eskom Holdings SOC Ltd. 6.35% 08-10-2028	South Africa	Corporate - Non Convertible	USD 210,000	296	269
The Export-Import Bank of China 3.25% 11-28-2027	China	Foreign Governments	USD 415,000	588	540
The Export-Import Bank of China 4.00% 11-28-2047	China	Foreign Governments	USD 390,000	621	478
Export-Import Bank of India 3.38% 08-05-2026	India	Foreign Governments	USD 435,000	588	555
Export-Import Bank of India 3.25% 01-15-2030	India	Foreign Governments	USD 395,000	528	470

MACKENZIE EMERGING MARKETS BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2023

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
BONDS (cont'd)					
Export-Import Bank of Korea 2.63% 05-26-2026	South Korea	Foreign Governments	USD 1,223,000	1,710	1,551
Export-Import Bank of Korea 3.25% 08-12-2026	South Korea	Foreign Governments	USD 200,000	299	259
Export-Import Bank of Korea 1.13% 12-29-2026	South Korea	Foreign Governments	USD 2,000,000	2,543	2,376
Government of Brazil 10.13% 05-15-2027	Brazil	Foreign Governments	USD 201,000	383	320
Government of Abu Dhabi 3.13% 10-11-2027	United Arab Emirates	Foreign Governments	USD 1,112,000	1,555	1,446
Government of Abu Dhabi 4.13% 10-11-2047	United Arab Emirates	Foreign Governments	USD 810,000	1,272	981
Government of Abu Dhabi 2.70% 09-02-2070	United Arab Emirates	Foreign Governments	USD 306,000	367	260
Government of Angola 9.50% 11-12-2025	Republic of Angola	Foreign Governments	USD 498,000	770	669
Government of Angola 9.38% 05-08-2048	Republic of Angola	Foreign Governments	USD 1,042,000	1,402	1,109
Government of Argentina 1.00% 07-09-2029	Argentina	Foreign Governments	USD 498,532	258	191
Government of Argentina 1.00% 07-09-2029 Sedol BLN8K52	Argentina	Foreign Governments	USD 178,556	115	61
Government of Argentina F/R 07-09-2030 (Global Market Issue)	Argentina	Foreign Governments	USD 3,240,000	1,612	1,280
Government of Argentina F/R 07-09-2030	Argentina	Foreign Governments	USD 2,881,673	1,820	989
Government of Argentina F/R 07-09-2035	Argentina	Foreign Governments	USD 4,129,000	1,659	1,463
Government of Argentina 0.13% 07-09-2035	Argentina	Foreign Governments	USD 3,422,210	1,399	1,145
Government of Argentina 0.13% 07-09-2038 (Domestic Market Issue)	Argentina	Foreign Governments	USD 1,099,198	580	431
Government of Argentina 0.13% 07-09-2038 (Global Market Issue)	Argentina	Foreign Governments	USD 1,389,179	702	590
Government of Argentina 0.13% 07-09-2041	Argentina	Foreign Governments	USD 1,823,000	1,197	700
Government of Argentina F/R 07-09-2046	Argentina	Foreign Governments	USD 250	-	-
Government of Azerbaijan 3.50% 09-01-2032	Azerbaijan	Foreign Governments	USD 313,000	414	362
Government of Bahrain 6.25% 11-14-2024	Bahrain	Foreign Governments	USD 243,000	333	332
Government of Bahrain 7.00% 10-12-2028	Bahrain	Foreign Governments	USD 944,000	1,450	1,300
Government of Bahrain 7.38% 05-14-2030	Bahrain	Foreign Governments	USD 1,066,000	1,535	1,493
Government of Bahrain 5.45% 09-16-2032	Bahrain	Foreign Governments	USD 235,000	298	284
Government of Bahrain 7.50% 09-20-2047	Bahrain	Foreign Governments	USD 273,000	429	334
Government of Brazil 2.88% 06-06-2025	Brazil	Foreign Governments	USD 920,000	1,199	1,194
Government of Brazil 4.63% 01-13-2028	Brazil	Foreign Governments	USD 1,739,000	2,386	2,302
Government of Brazil 3.88% 06-12-2030	Brazil	Foreign Governments	USD 679,000	867	824
Government of Brazil 7.13% 01-20-2037	Brazil	Foreign Governments	USD 211,000	341	310
Government of Brazil 5.63% 01-07-2041	Brazil	Foreign Governments	USD 543,000	833	650
Government of Brazil 5.63% 02-21-2047	Brazil	Foreign Governments	USD 946,000	1,335	1,080
Government of Brazil 4.75% 01-14-2050 Callable 2049	Brazil	Foreign Governments	USD 745,000	962	747
Government of Buenos Aires 3.90% 09-01-2037	Argentina	Foreign Governments	USD 1,186,776	682	568
Government of Chile 3.24% 02-06-2028 Callable 2027	Chile	Foreign Governments	USD 462,000	657	597
Government of Chile 2.45% 01-31-2031	Chile	Foreign Governments	USD 591,000	764	690
Government of Chile 2.55% 07-27-2033	Chile	Foreign Governments	USD 642,000	827	715
Government of Chile 4.34% 03-07-2042	Chile	Foreign Governments	USD 900,000	1,160	1,077
Government of Chile 3.86% 06-21-2047	Chile	Foreign Governments	USD 235,000	352	260
Government of Chile 3.50% 01-25-2050	Chile	Foreign Governments	USD 424,000	568	430
Government of Chile 3.50% 04-15-2053	Chile	Foreign Governments	USD 530,000	674	535
Government of Chile 3.10% 01-22-2061	Chile	Foreign Governments	USD 404,000	476	357
Government of China 2.13% 12-03-2029	China	Foreign Governments	USD 1,123,000	1,479	1,378
Government of China 2.75% 12-03-2039	China	Foreign Governments	USD 67,000	87	74
Government of China 2.25% 10-21-2050	China	Foreign Governments	USD 400,000	443	370
Government of Colombia 8.13% 05-21-2024	Colombia	Foreign Governments	USD 76,000	124	106
Government of Colombia 3.88% 04-25-2027	Colombia	Foreign Governments	USD 247,000	351	304
Government of Colombia 3.13% 04-15-2031	Colombia	Foreign Governments	USD 1,792,000	2,256	1,855
Government of Colombia 3.25% 04-22-2032	Colombia	Foreign Governments	USD 625,000	761	630
Government of Colombia 6.13% 01-18-2041	Colombia	Foreign Governments	USD 513,000	781	568
Government of Colombia 5.63% 02-26-2044	Colombia	Foreign Governments	USD 510,000	845	523
Government of Colombia 5.20% 05-15-2049	Colombia	Foreign Governments	USD 367,000	538	347
Government of Colombia 3.88% 02-15-2061	Colombia	Foreign Governments	USD 450,000	492	352
Government of Costa Rica 4.38% 04-30-2025	Costa Rica	Foreign Governments	USD 177,000	214	235
Government of Costa Rica 6.13% 02-19-2031	Costa Rica	Foreign Governments	USD 338,000	396	455
Government of Costa Rica 7.00% 04-04-2044	Costa Rica	Foreign Governments	USD 270,000	353	358
Government of Costa Rica 7.16% 03-12-2045	Costa Rica	Foreign Governments	USD 219,000	303	293
Government of Dominican Republic 4.50% 01-30-2030	Dominican Republic	Foreign Governments	USD 257,000	336	303
Government of Dominican Republic 4.88% 09-23-2032	Dominican Republic	Foreign Governments	USD 365,000	492	420
Government of Dominican Republic 6.00% 02-22-2033	Dominican Republic	Foreign Governments	USD 666,000	813	826
Government of Dominican Republic 5.30% 01-21-2041	Dominican Republic	Foreign Governments	USD 333,000	421	352

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SCHEDULE OF INVESTMENTS (cont'd)

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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
BONDS (cont'd)					
Government of Dominican Republic 6.50% 02-15-2048	Dominican Republic	Foreign Governments	USD 215,000	268	247
Government of Dominican Republic 5.88% 01-30-2060	Dominican Republic	Foreign Governments	USD 569,000	767	590
Government of Ecuador 7.95% 06-20-2024	Ecuador	Foreign Governments	USD 801,944	368	232
Government of Ecuador 9.65% 12-13-2026	Ecuador	Foreign Governments	USD 833,840	1,080	241
Government of Ecuador 10.75% 01-31-2029	Ecuador	Foreign Governments	USD 627,886	253	181
Government of Ecuador 0.50% 07-31-2040 S27J	Ecuador	Foreign Governments	USD 223,269	271	64
Government of Ecuador 0.50% 07-31-2040	Ecuador	Foreign Governments	USD 280,680	348	81
Government of Ecuador 0.50% 07-31-2040 S28	Ecuador	Foreign Governments	USD 616,039	710	178
Government of Egypt 5.75% 05-29-2024	Egypt	Foreign Governments	USD 708,000	947	869
Government of Egypt 7.50% 01-31-2027	Egypt	Foreign Governments	USD 930,000	1,384	970
Government of Egypt 6.59% 02-21-2028	Egypt	Foreign Governments	USD 712,000	963	675
Government of Egypt 7.60% 03-01-2029	Egypt	Foreign Governments	USD 541,000	786	512
Government of Egypt 7.05% 01-15-2032	Egypt	Foreign Governments	USD 308,000	398	261
Government of Egypt 7.63% 05-29-2032	Egypt	Foreign Governments	USD 384,000	509	331
Government of Egypt 8.50% 01-31-2047	Egypt	Foreign Governments	USD 637,000	936	502
Government of Egypt 8.70% 03-01-2049	Egypt	Foreign Governments	USD 729,000	963	579
Government of El Salvador 7.65% 06-15-2035	El Salvador	Foreign Governments	USD 444,000	658	286
Government of El Salvador 7.63% 02-01-2041	El Salvador	Foreign Governments	USD 167,000	209	107
Government of Ghana 7.63% 05-16-2029	Ghana	Foreign Governments	USD 662,000	724	316
Government of Ghana 8.13% 03-26-2032	Ghana	Foreign Governments	USD 406,000	537	194
Government of Ghana 8.63% 04-07-2034	Ghana	Foreign Governments	USD 276,000	352	131
Government of Ghana 8.63% 06-16-2049	Ghana	Foreign Governments	USD 235,000	318	107
Government of Ghana 8.95% 03-26-2051	Ghana	Foreign Governments	USD 287,000	387	132
Government of Ghana 8.75% 03-11-2061	Ghana	Foreign Governments	USD 209,000	261	96
Government of Guatemala 4.38% 06-05-2027	United States	Foreign Governments	USD 639,000	906	836
Government of Guatemala 6.13% 06-01-2050 Callable 2049	United States	Foreign Governments	USD 423,000	672	543
Government of Hungary 5.75% 11-22-2023	Hungary	Foreign Governments	USD 1,000	2	1
Government of Hungary 2.13% 09-22-2031	Hungary	Foreign Governments	USD 780,000	974	812
Government of Hungary 7.63% 03-29-2041	Hungary	Foreign Governments	USD 452,000	1,004	689
Government of Hungary 3.13% 09-21-2051	Hungary	Foreign Governments	USD 410,000	512	342
Government of Hungary 6.75% 09-25-2052	Hungary	Foreign Governments	USD 230,000	325	322
Government of Indonesia 4.75% 01-08-2026	Indonesia	Foreign Governments	USD 1,382,000	2,009	1,877
Government of Indonesia 3.85% 10-15-2030	Indonesia	Foreign Governments	USD 541,000	774	698
Government of Indonesia 3.55% 03-31-2032	Indonesia	Foreign Governments	USD 610,000	729	758
Government of Indonesia 7.75% 01-17-2038	Indonesia	Foreign Governments	USD 1,523,000	2,958	2,599
Government of Indonesia 5.25% 01-17-2042	Indonesia	Foreign Governments	USD 300,000	506	397
Government of Indonesia 6.75% 01-15-2044	Indonesia	Foreign Governments	USD 572,000	1,106	906
Government of Indonesia 5.13% 01-15-2045	Indonesia	Foreign Governments	USD 479,000	763	638
Government of Indonesia 5.25% 01-08-2047	Indonesia	Foreign Governments	USD 370,000	467	500
Government of Indonesia 4.35% 01-11-2048	Indonesia	Foreign Governments	USD 326,000	477	392
Government of Indonesia 5.35% 02-11-2049	Indonesia	Foreign Governments	USD 320,000	497	438
Government of Indonesia 3.50% 02-14-2050	Indonesia	Foreign Governments	USD 300,000	381	312
Government of Indonesia 4.20% 10-15-2050	Indonesia	Foreign Governments	USD 620,000	916	726
Government of Indonesia 4.45% 04-15-2070	Indonesia	Foreign Governments	USD 320,000	489	375
Government of Jamaica 6.75% 04-28-2028	Jamaica	Foreign Governments	USD 373,000	580	529
Government of Jamaica 8.00% 03-15-2039	Jamaica	Foreign Governments	USD 416,000	741	679
Government of Jamaica 7.88% 07-28-2045	Jamaica	Foreign Governments	USD 245,000	432	388
Government of Jordan 6.13% 01-29-2026	Jordan	Foreign Governments	USD 550,000	765	731
Government of Jordan 5.85% 07-07-2030	Jordan	Foreign Governments	USD 327,000	412	395
Government of Jordan 7.38% 10-10-2047	Jordan	Foreign Governments	USD 242,000	311	277
Government of Kazakhstan 5.13% 07-21-2025	Kazakhstan	Foreign Governments	USD 200,000	303	279
Government of Kazakhstan 6.50% 07-21-2045	Kazakhstan	Foreign Governments	USD 700,000	1,179	989
Government of Kenya 7.00% 05-22-2027	Kenya	Foreign Governments	USD 500,000	704	574
Government of Kenya 7.25% 02-28-2028	Kenya	Foreign Governments	USD 454,000	647	505
Government of Kenya 8.00% 05-22-2032	Kenya	Foreign Governments	USD 248,000	357	273
Government of Kenya 8.25% 02-28-2048	Kenya	Foreign Governments	USD 200,000	267	199
Government of Korea 4.13% 06-10-2044	South Korea	Foreign Governments	USD 280,000	461	366
Government of Korea 3.88% 09-20-2048	South Korea	Foreign Governments	USD 298,000	555	369
Government of Kuwait 3.50% 03-20-2027	Kuwait	Foreign Governments	USD 941,000	1,357	1,248
Government of Mexico 4.15% 03-28-2027	Mexico	Foreign Governments	USD 1,536,000	2,139	2,041
Government of Mexico 3.75% 01-11-2028	Mexico	Foreign Governments	USD 377,000	519	489
Government of Mexico 3.25% 04-16-2030 Callable 2030	Mexico	Foreign Governments	USD 320,000	430	388
Government of Mexico 2.66% 05-24-2031	Mexico	Foreign Governments	USD 776,000	954	878
Government of Mexico 6.05% 01-11-2040	Mexico	Foreign Governments	USD 546,000	861	753

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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
BONDS (cont'd)					
Government of Mexico 4.28% 08-14-2041	Mexico	Foreign Governments	USD 211,000	286	234
Government of Mexico 4.75% 03-08-2044	Mexico	Foreign Governments	USD 394,000	585	453
Government of Mexico 5.55% 01-21-2045	Mexico	Foreign Governments	USD 374,000	579	477
Government of Mexico 4.35% 01-15-2047	Mexico	Foreign Governments	USD 348,000	493	373
Government of Mexico 4.60% 02-10-2048	Mexico	Foreign Governments	USD 652,000	959	722
Government of Mexico 4.50% 01-31-2050	Mexico	Foreign Governments	USD 411,000	543	449
Government of Mexico 5.00% 04-27-2051 Callable 2050	Mexico	Foreign Governments	USD 816,000	1,164	948
Government of Mexico 3.77% 05-24-2061	Mexico	Foreign Governments	USD 447,000	553	409
Government of Mexico 3.75% 04-19-2071	Mexico	Foreign Governments	USD 388,000	423	350
Government of Mexico 5.75% 10-12-2110	Mexico	Foreign Governments	USD 378,000	593	459
Government of Morocco 5.50% 12-11-2042	Morocco	Foreign Governments	USD 256,000	424	300
Government of Oman 4.88% 02-01-2025	Oman	Foreign Governments	USD 403,000	534	538
Government of Oman 5.93% 10-31-2025	Oman	Foreign Governments	USD 541,000	757	747
Government of Oman 4.75% 06-15-2026	Oman	Foreign Governments	USD 519,000	678	687
Government of Oman 5.63% 01-17-2028	Oman	Foreign Governments	USD 470,000	635	636
Government of Oman 6.00% 08-01-2029	Oman	Foreign Governments	USD 462,000	617	629
Government of Oman 4.88% 06-15-2030	Oman	Foreign Governments	USD 528,000	687	713
Government of Oman 6.25% 01-25-2031	Oman	Foreign Governments	USD 210,000	293	289
Government of Oman 6.50% 03-08-2047	Oman	Foreign Governments	USD 408,000	508	509
Government of Oman 6.75% 01-17-2048	Oman	Foreign Governments	USD 398,000	515	510
Government of Oman 7.00% 01-25-2051	Oman	Foreign Governments	USD 232,000	300	306
Government of Pakistan 8.25% 04-15-2024	Pakistan	Foreign Governments	USD 543,000	803	331
Government of Pakistan 8.25% 09-30-2025	Pakistan	Foreign Governments	USD 233,000	331	124
Government of Panama 3.75% 04-17-2026 REGS	Panama	Foreign Governments	USD 130,000	182	167
Government of Panama 3.75% 04-17-2026	Panama	Foreign Governments	USD 54,000	75	69
Government of Panama 8.88% 09-30-2027	Panama	Foreign Governments	USD 461,000	845	726
Government of Panama 9.38% 04-01-2029	Panama	Foreign Governments	USD 56,000	113	93
Government of Panama 3.16% 01-23-2030	Panama	Foreign Governments	USD 405,000	590	482
Government of Panama 3.36% 06-30-2031	Panama	Foreign Governments	USD 710,000	924	800
Government of Panama 2.25% 09-29-2032	Panama	Foreign Governments	USD 392,000	456	407
Government of Panama 6.70% 01-26-2036	Panama	Foreign Governments	USD 553,000	953	793
Government of Panama 4.50% 04-16-2050	Panama	Foreign Governments	USD 613,000	988	633
Government of Panama 4.50% 04-01-2056 Callable 2055	Panama	Foreign Governments	USD 654,000	948	660
Government of Panama 3.87% 07-23-2060	Panama	Foreign Governments	USD 371,000	496	330
Government of Panama 4.50% 01-19-2063	Panama	Foreign Governments	USD 490,000	603	479
Government of Paraguay 4.95% 04-28-2031 Callable 2031	Paraguay	Foreign Governments	USD 584,000	873	763
Government of Paraguay 5.60% 03-13-2048	Paraguay	Foreign Governments	USD 512,000	799	614
Government of Peru 4.13% 08-25-2027	Peru	Foreign Governments	USD 327,000	490	434
Government of Peru 2.84% 06-20-2030	Peru	Foreign Governments	USD 54,000	74	64
Government of Peru 2.78% 01-23-2031 Callable 2030	Peru	Foreign Governments	USD 433,000	627	501
Government of Peru 8.75% 11-21-2033	Peru	Foreign Governments	USD 1,084,000	2,292	1,849
Government of Peru 5.63% 11-18-2050	Peru	Foreign Governments	USD 611,000	1,102	834
Government of Peru 2.78% 12-01-2060	Peru	Foreign Governments	USD 428,000	552	346
Government of Peru 3.60% 01-15-2072	Peru	Foreign Governments	USD 350,000	377	317
Government of Philippines 3.20% 07-06-2046	Philippines	Foreign Governments	USD 1,385,000	1,784	1,394
Government of Qatar 3.40% 04-16-2025	Qatar	Foreign Governments	USD 500,000	686	662
Government of Qatar 3.25% 06-02-2026	Qatar	Foreign Governments	USD 1,108,000	1,547	1,457
Government of Qatar 4.50% 04-23-2028	Qatar	Foreign Governments	USD 660,000	1,017	907
Government of Qatar 4.00% 03-14-2029	Qatar	Foreign Governments	USD 872,000	1,281	1,173
Government of Qatar 9.75% 06-15-2030	Qatar	Foreign Governments	USD 316,000	712	572
Government of Qatar 5.10% 04-23-2048	Qatar	Foreign Governments	USD 3,116,000	5,345	4,288
Government of Qatar 4.82% 03-14-2049	Qatar	Foreign Governments	USD 521,000	836	692
Government of Qatar 4.40% 04-16-2050	Qatar	Foreign Governments	USD 200,000	324	251
Government of Romania 4.88% 01-22-2024	Romania	Foreign Governments	USD 365,000	539	493
Government of Romania 3.00% 02-14-2031	Romania	Foreign Governments	USD 356,000	487	397
Government of Romania 3.63% 03-27-2032	Romania	Foreign Governments	USD 300,000	375	343
Government of Romania 6.00% 05-25-2034	Romania	Foreign Governments	USD 490,000	643	649
Government of Romania 6.13% 01-22-2044	Romania	Foreign Governments	USD 323,000	557	418
Government of Romania 5.13% 06-15-2048	Romania	Foreign Governments	USD 292,000	449	331
Government of Romania 4.00% 02-14-2051	Romania	Foreign Governments	USD 468,000	642	443
Government of Saudi Arabia 2.90% 10-22-2025	Saudi Arabia	Foreign Governments	USD 1,120,000	1,520	1,459
Government of Saudi Arabia 3.25% 10-26-2026	Saudi Arabia	Foreign Governments	USD 2,059,000	2,857	2,680
Government of Saudi Arabia 3.63% 04-20-2027	Saudi Arabia	Foreign Governments	USD 681,000	906	896
Government of Saudi Arabia 3.63% 03-04-2028	Saudi Arabia	Foreign Governments	USD 934,000	1,366	1,216

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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
BONDS (cont'd)					
Government of Saudi Arabia 4.38% 04-16-2029	Saudi Arabia	Foreign Governments	USD 571,000	864	771
Government of Saudi Arabia 4.50% 04-17-2030	Saudi Arabia	Foreign Governments	USD 1,450,000	2,189	1,960
Government of Saudi Arabia 3.25% 10-22-2030	Saudi Arabia	Foreign Governments	USD 368,000	523	459
Government of Saudi Arabia 2.75% 02-03-2032	Saudi Arabia	Foreign Governments	USD 330,000	418	393
Government of Saudi Arabia 5.50% 10-25-2032	Saudi Arabia	Foreign Governments	USD 700,000	966	1,011
Government of Saudi Arabia 4.50% 10-26-2046	Saudi Arabia	Foreign Governments	USD 434,000	656	516
Government of Saudi Arabia 4.63% 10-04-2047	Saudi Arabia	Foreign Governments	USD 1,354,000	2,037	1,634
Government of Saudi Arabia 5.00% 04-17-2049	Saudi Arabia	Foreign Governments	USD 1,079,000	1,733	1,362
Government of Saudi Arabia 5.25% 01-16-2050	Saudi Arabia	Foreign Governments	USD 523,000	861	688
Government of Saudi Arabia 5.00% 01-18-2053	Saudi Arabia	Foreign Governments	USD 380,000	482	478
Government of Saudi Arabia 3.75% 01-21-2055	Saudi Arabia	Foreign Governments	USD 536,000	732	559
Government of Saudi Arabia 4.50% 04-22-2060	Saudi Arabia	Foreign Governments	USD 823,000	1,180	974
Government of South Africa 5.88% 09-16-2025	South Africa	Foreign Governments	USD 426,000	621	576
Government of South Africa 4.88% 04-14-2026	South Africa	Foreign Governments	USD 230,000	318	302
Government of South Africa 4.85% 09-27-2027	South Africa	Foreign Governments	USD 407,000	558	526
Government of South Africa 4.30% 10-12-2028	South Africa	Foreign Governments	USD 422,000	551	513
Government of South Africa 4.85% 09-30-2029	South Africa	Foreign Governments	USD 250,000	332	304
Government of South Africa 5.88% 06-22-2030	South Africa	Foreign Governments	USD 189,000	266	240
Government of South Africa 6.25% 03-08-2041	South Africa	Foreign Governments	USD 230,000	321	264
Government of South Africa 5.00% 10-12-2046	South Africa	Foreign Governments	USD 107,000	135	101
Government of South Africa 5.65% 09-27-2047	South Africa	Foreign Governments	USD 236,000	316	236
Government of South Africa 6.30% 06-22-2048	South Africa	Foreign Governments	USD 297,000	369	321
Government of South Africa 5.75% 09-30-2049	South Africa	Foreign Governments	USD 864,000	1,116	861
Government of South Korea 2.00% 06-19-2024	South Korea	Foreign Governments	USD 885,000	1,189	1,162
Government of Sri Lanka 6.75% 04-18-2028	Sri Lanka	Foreign Governments	USD 250,000	204	122
Government of Sri Lanka 7.85% 03-14-2029	Sri Lanka	Foreign Governments	USD 361,000	485	176
Government of the Philippines 7.50% 09-25-2024	Philippines	Foreign Governments	USD 388,000	619	537
Government of the Philippines 5.50% 03-30-2026	Philippines	Foreign Governments	USD 400,000	605	555
Government of the Philippines 3.00% 02-01-2028	Philippines	Foreign Governments	USD 170,000	215	217
Government of the Philippines 9.50% 02-02-2030	Philippines	Foreign Governments	USD 843,000	1,766	1,446
Government of the Philippines 7.75% 01-14-2031	Philippines	Foreign Governments	USD 563,000	1,113	900
Government of the Philippines 1.65% 06-10-2031	Philippines	Foreign Governments	USD 785,000	951	853
Government of the Philippines 6.38% 10-23-2034	Philippines	Foreign Governments	USD 368,000	695	560
Government of the Philippines 3.95% 01-20-2040	Philippines	Foreign Governments	USD 690,000	995	801
Government of the Philippines 3.70% 03-01-2041	Philippines	Foreign Governments	USD 130,000	177	146
Government of the Philippines 3.70% 02-02-2042	Philippines	Foreign Governments	USD 248,000	374	275
Government of Turkey 7.25% 12-23-2023	Turkey	Foreign Governments	USD 431,000	595	589
Government of Turkey 6.35% 08-10-2024	Turkey	Foreign Governments	USD 581,000	808	781
Government of Turkey 7.38% 02-05-2025	Turkey	Foreign Governments	USD 2,614,000	3,792	3,549
Government of Turkey 4.25% 03-13-2025	Turkey	Foreign Governments	USD 911,000	1,171	1,160
Government of Turkey 6.38% 10-14-2025	Turkey	Foreign Governments	USD 1,850,000	2,472	2,416
Government of Turkey 6.13% 10-24-2028	Turkey	Foreign Governments	USD 1,114,000	1,504	1,359
Government of Turkey 7.63% 04-26-2029	Turkey	Foreign Governments	USD 1,741,000	2,460	2,245
Government of Turkey 11.88% 01-15-2030	Turkey	Foreign Governments	USD 200,000	376	320
Government of Turkey 5.95% 01-15-2031	Turkey	Foreign Governments	USD 280,000	352	321
Government of Turkey 5.88% 06-26-2031	Turkey	Foreign Governments	USD 560,000	714	632
Government of Turkey 6.88% 03-17-2036	Turkey	Foreign Governments	USD 903,000	1,181	1,049
Government of Turkey 6.75% 05-30-2040	Turkey	Foreign Governments	USD 380,000	481	422
Government of Turkey 6.00% 01-14-2041	Turkey	Foreign Governments	USD 810,000	1,021	828
Government of Turkey 6.63% 02-17-2045	Turkey	Foreign Governments	USD 998,000	1,279	1,077
Government of United Arab Emirates 2.13% 09-30-2024	United Arab Emirates	Foreign Governments	USD 544,000	717	708
Government of United Arab Emirates 3.13% 05-03-2026	United Arab Emirates	Foreign Governments	USD 1,462,000	2,026	1,918
Government of United Arab Emirates 3.13% 09-30-2049	United Arab Emirates	Foreign Governments	USD 668,000	895	677
Government of United Arab Emirates 3.88% 04-16-2050	United Arab Emirates	Foreign Governments	USD 770,000	1,150	887
Government of United Arab Emirates 3.90% 09-09-2050	United Arab Emirates	Foreign Governments	USD 402,000	471	395
Government of Uruguay 4.38% 01-23-2031	Uruguay	Foreign Governments	USD 228,000	338	307
Government of Uruguay 7.88% 01-15-2033	Uruguay	Foreign Governments	USD 1,000,000	1,921	1,679
Government of Uruguay 5.10% 06-18-2050	Uruguay	Foreign Governments	USD 654,000	1,064	888
Government of Uruguay 4.98% 04-20-2055	Uruguay	Foreign Governments	USD 457,000	729	608
Government of Abu Dhabi 1.70% 03-02-2031	United Arab Emirates	Foreign Governments	USD 460,000	581	525
Greenko Energy Holdings 3.85% 03-29-2026	India	Corporate - Non Convertible	USD 272,600	353	331
Hindustan Petroleum Corp. Ltd. 4.00% 07-12-2027	India	Corporate - Non Convertible	USD 202,000	279	258
ICBCIL Finance Co. Ltd. 3.63% 11-15-2027	China	Corporate - Non Convertible	USD 296,000	419	380
Indian Oil Corp. Ltd. 4.75% 01-16-2024	India	Corporate - Non Convertible	USD 195,000	274	263

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BONDS (cont'd)					
Indian Railway Finance Corp. Ltd. 2.80% 02-10-2031	India	Corporate - Non Convertible	USD 516,000	602	576
Industrial & Commercial Bank of China Ltd. 1.00% 07-20-2023	China	Corporate - Non Convertible	USD 459,000	585	613
The International Bank of Azerbaijan 3.50% 09-01-2024 144A	Azerbaijan	Corporate - Non Convertible	USD 150,000	181	196
KazMunayGas National Co. JSC 4.75% 04-19-2027	Kazakhstan	Corporate - Non Convertible	USD 640,000	921	797
KazMunayGas National Co. JSC 5.38% 04-24-2030	Kazakhstan	Corporate - Non Convertible	USD 347,000	508	419
KazMunayGas National Co. JSC 6.38% 10-24-2048	Kazakhstan	Corporate - Non Convertible	USD 302,000	511	341
The Korea Development Bank 2.00% 09-12-2026	South Korea	Foreign Governments	USD 210,000	279	260
The Korea Development Bank 1.38% 04-25-2027	South Korea	Foreign Governments	USD 400,000	472	481
The Korea Development Bank 2.00% 10-25-2031	South Korea	Foreign Governments	USD 1,116,000	1,368	1,246
Korea East-West Power Co. Ltd. 3.88% 07-19-2023	South Korea	Corporate - Non Convertible	USD 841,000	1,178	1,134
Korea National Oil Corp. 2.50% 10-24-2026	South Korea	Foreign Governments	USD 279,000	406	347
MDGH - GMTN BV 2.50% 05-21-2026 Callable 2026	United Arab Emirates	Corporate - Non Convertible	USD 600,000	832	761
MDGH - GMTN BV 2.88% 11-07-2029	United Arab Emirates	Corporate - Non Convertible	USD 920,000	1,239	1,124
MDGH - GMTN BV 2.88% 05-21-2030 Callable 2030	United Arab Emirates	Corporate - Non Convertible	USD 358,000	509	434
MDGH - GMTN BV 3.70% 11-07-2049 Callable 2049	United Arab Emirates	Corporate - Non Convertible	USD 307,000	431	338
MDGH - GMTN BV 3.95% 05-21-2050 Callable 2049	United Arab Emirates	Corporate - Non Convertible	USD 633,000	940	723
Mexico City Airport Trust 4.25% 10-31-2026	Mexico	Corporate - Non Convertible	USD 200,000	275	260
Mexico City Airport Trust 5.50% 07-31-2047	Mexico	Corporate - Non Convertible	USD 388,000	539	404
OCP SA 4.50% 10-22-2025	Morocco	Corporate - Non Convertible	USD 336,000	461	442
OCP SA 3.75% 06-23-2031	Morocco	Corporate - Non Convertible	USD 293,000	376	325
OCP SA 6.88% 04-25-2044	Morocco	Corporate - Non Convertible	USD 200,000	311	246
The Oil and Gas Holding Co. BSC 7.50% 10-25-2027	Bahrain	Corporate - Non Convertible	USD 273,000	417	378
The Oil and Gas Holding Co. BSC 8.38% 11-07-2028	Bahrain	Corporate - Non Convertible	USD 200,000	295	285
Oil India Ltd. 5.13% 02-04-2029	India	Corporate - Non Convertible	USD 371,000	559	489
ONGC Videsh Ltd. 4.63% 07-15-2024	India	Corporate - Non Convertible	USD 232,000	321	311
Ooredoo QPSC 2.63% 04-08-2031	Qatar	Corporate - Non Convertible	USD 556,000	679	653
Oztel Holdings SPC Ltd. 6.63% 04-24-2028	Oman	Corporate - Non Convertible	USD 394,000	543	554
Panama Government International Bond 3.88% 03-17-2028	Panama	Federal Government	USD 490,000	631	637
Peru Enhanced Pass-Through Finance Ltd. 0% 06-02-2025	Peru	Corporate - Non Convertible	USD 633,655	787	799
Perusahaan Listrik Negara PT 5.25% 10-24-2042	Indonesia	Corporate - Non Convertible	USD 200,000	297	238
Perusahaan Listrik Negara PT 6.25% 01-25-2049	Indonesia	Corporate - Non Convertible	USD 606,000	1,054	795
Perusahaan Perseroan Persero PT 4.13% 05-15-2027	Indonesia	Corporate - Non Convertible	USD 514,000	712	666
Perusahaan Perseroan Persero PT 5.45% 05-21-2028	Indonesia	Corporate - Non Convertible	USD 440,000	665	593
Petrobras Global Finance BV 5.60% 01-03-2031 Callable 2030	Brazil	Corporate - Non Convertible	USD 993,000	1,282	1,206
Petrobras Global Finance BV 6.75% 06-03-2050 Callable 2049	Brazil	Corporate - Non Convertible	USD 200,000	283	239
Petroleos del Peru SA 5.63% 06-19-2047	Peru	Corporate - Non Convertible	USD 565,000	778	487
Petroleos Mexicanos 6.50% 03-13-2027	Mexico	Corporate - Non Convertible	USD 1,140,000	1,542	1,399
Petroleos Mexicanos 5.95% 01-28-2031 144A	Mexico	Corporate - Non Convertible	USD 434,000	502	449
Petroleos Mexicanos 6.70% 02-16-2032	Mexico	Corporate - Non Convertible	USD 3,066,000	3,809	3,301
Petroleos Mexicanos 6.63% 06-15-2035	Mexico	Corporate - Non Convertible	USD 462,000	622	456
Petroleos Mexicanos 6.75% 09-21-2047	Mexico	Corporate - Non Convertible	USD 295,000	354	259
Petroleos Mexicanos 7.69% 01-23-2050 144A	Mexico	Corporate - Non Convertible	USD 921,000	1,163	879
Petroleos Mexicanos 6.95% 01-28-2060	Mexico	Corporate - Non Convertible	USD 400,000	516	350
Petrolia Nasional BHD 4.80% 04-21-2060	Malaysia	Corporate - Non Convertible	USD 305,000	546	394
Petrolia Nasional BHD 3.40% 04-28-2061	Malaysia	Corporate - Non Convertible	USD 430,000	561	423
Petronas Capital Ltd. 3.50% 04-21-2030 Callable 2030	Malaysia	Corporate - Non Convertible	USD 310,000	452	391
Petronas Capital Ltd. 2.48% 01-28-2032	Malaysia	Corporate - Non Convertible	USD 739,000	900	851
Petronas Capital Ltd. 4.55% 04-21-2050 Capital 2049	Malaysia	Corporate - Non Convertible	USD 455,000	717	570
Power Sector Assets & Liabilities Management Corp. 7.39% 12-02-2024	Philippines	Corporate - Non Convertible	USD 356,000	591	498
PT Indonesia Asahan Aluminium (Persero) 5.45% 05-15-2030	Indonesia	Corporate - Non Convertible	USD 257,000	378	341
PT Pelabuhan Indonesia II 4.25% 05-05-2025	Indonesia	Corporate - Non Convertible	USD 465,000	672	613
PT Pertamina (Persero) 3.10% 08-27-2030	Indonesia	Corporate - Non Convertible	USD 230,000	309	274
PT Pertamina (Persero) 2.30% 02-09-2031	Indonesia	Corporate - Non Convertible	USD 758,000	912	845
PT Pertamina (Persero) 6.50% 05-27-2041	Indonesia	Corporate - Non Convertible	USD 650,000	1,100	907
PT Pertamina (Persero) 6.45% 05-30-2044	Indonesia	Corporate - Non Convertible	USD 549,000	928	764
PT Pertamina (Persero) 4.18% 01-21-2050 Callable 2049	Indonesia	Corporate - Non Convertible	USD 283,000	410	298
Qatar National Bank QPSC 1.38% 01-26-2026	Qatar	Corporate - Non Convertible	USD 576,000	717	706
QIB Sukuk Ltd. 3.98% 03-26-2024	Qatar	Corporate - Non Convertible	USD 328,000	469	438
QNB Finance Ltd. 3.50% 03-28-2024	Qatar	Corporate - Non Convertible	USD 402,000	582	535
QNB Finance Ltd. 1.63% 09-22-2025	Qatar	Corporate - Non Convertible	USD 200,000	247	249
QNB Finance Ltd. 2.75% 02-12-2027	Qatar	Corporate - Non Convertible	USD 283,000	389	354
Republic of Colombia 5.00% 06-15-2045 Callable	Colombia	Foreign Governments	USD 927,000	1,483	878
Saudi Electricity Co. 5.50% 04-08-2044	Saudi Arabia	Corporate - Non Convertible	USD 200,000	305	276

MACKENZIE EMERGING MARKETS BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2023

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
BONDS (cont'd)					
Saudi Electricity Global Sukuk 5.06% 04-08-2043	Saudi Arabia	Corporate - Non Convertible	USD 361,000	562	477
Sharjah Sukuk Program Ltd. 3.85% 04-03-2026	United Arab Emirates	Corporate - Non Convertible	USD 406,000	584	527
Sharjah Sukuk Program Ltd. 3.23% 10-23-2029	United Arab Emirates	Corporate - Non Convertible	USD 652,000	879	781
Sharjah Sukuk Programme Ltd. 3.20% 07-13-2031	United Arab Emirates	Corporate - Non Convertible	USD 240,000	304	278
Sinochem Hong Kong (Group) Co. Ltd. 6.30% 11-12-2040	China	Corporate - Non Convertible	USD 200,000	366	274
Sinopec Group Overseas Development 2018 Ltd. 2.95% 11-12-2029 144A	China	Corporate - Non Convertible	USD 800,000	1,053	989
Sinopec Group Overseas Development 2018 Ltd. 2.70% 05-13-2030 Callable 2030	China	Corporate - Non Convertible	USD 1,619,000	2,235	1,957
Southern Gas Corridor CJSC 6.88% 03-24-2026	Azerbaijan	Corporate - Non Convertible	USD 297,000	463	409
State Bank of India 4.88% 04-17-2024	India	Corporate - Non Convertible	USD 435,000	621	586
State Development & Investment Corp. 3.75% 05-21-2029	China	Corporate - Non Convertible	USD 400,000	564	518
State Grid Corp. of China 1.63% 08-05-2030	China	Corporate - Non Convertible	USD 510,000	627	572
State Grid Overseas Investment (2016) Ltd. 3.50% 05-04-2027	China	Corporate - Non Convertible	USD 338,000	479	443
State Grid Overseas Investment (2016) Ltd. 4.25% 05-02-2028	China	Corporate - Non Convertible	USD 332,000	531	447
State Oil Co. of the Azerbaijan Republic 6.95% 03-18-2030	Azerbaijan	Corporate - Non Convertible	USD 321,000	521	448
Turkiye Ihracat Kredi Bankasi AS 6.13% 05-03-2024	Turkey	Foreign Governments	USD 275,000	350	366
United States Treasury 1.75% 12-31-2024	United States	Foreign Governments	USD 416,200	537	540
YPF SA 7.00% 12-15-2047	Argentina	Corporate - Non Convertible	USD 171,000	168	145
YPF Sociedad Anonima 8.50% 07-28-2025	Argentina	Foreign Governments	USD 792,000	882	941
Total bonds				295,171	251,132
Transaction costs				–	–
Total investments				295,171	251,132
Derivative instruments (see schedule of derivative instruments)					1,242
Cash and cash equivalents					1,817
Other assets less liabilities					3,369
Net assets attributable to unitholders					257,560

MACKENZIE EMERGING MARKETS BOND INDEX ETF (CAD-HEDGED)

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SUMMARY OF INVESTMENT PORTFOLIO

MARCH 31, 2023

PORTFOLIO ALLOCATION	% OF NAV
Bonds	97.5
<i>Bonds</i>	97.5
<i>Short bond futures</i>	-
Other assets (liabilities)	1.8
Cash and short-term investments	0.7

REGIONAL ALLOCATION	% OF NAV
Other Asia	13.2
Other America	12.4
Other	10.0
Mexico	7.1
Saudi Arabia	6.9
Turkey	6.6
Indonesia	6.6
United Arab Emirates	6.5
Qatar	3.9
South Korea	3.7
China	3.6
Chile	3.6
Colombia	3.5
Cayman Islands	3.4
Argentina	3.3
Philippines	3.2
Other assets (liabilities)	1.8
Cash and short-term investments	0.7

SECTOR ALLOCATION	% OF NAV
Foreign government bonds	69.7
Corporate bonds	27.8
Other assets (liabilities)	1.8
Cash and short-term investments	0.7

MARCH 31, 2022

PORTFOLIO ALLOCATION	% OF NAV
Bonds	97.4
<i>Bonds</i>	95.9
<i>Long bond futures</i>	1.5
<i>Short bond futures</i>	0.0
Other assets (liabilities)	3.0
Cash and short-term investments	(0.4)

REGIONAL ALLOCATION	% OF NAV
Other America and Africa	19.5
Other Asia	13.9
Mexico	7.3
Indonesia	6.8
Saudi Arabia	6.4
United Arab Emirates	6.2
Turkey	5.7
Other	5.1
Qatar	4.2
Colombia	3.4
Argentina	3.3
Brazil	3.2
Chile	3.2
China	3.2
South Korea	3.2
Other assets (liabilities)	3.0
Philippines	2.8
Cash and short-term investments	(0.4)

SECTOR ALLOCATION	% OF NAV
Foreign government bonds	68.0
Corporate bonds	29.4
Other assets (liabilities)	3.0
Cash and short-term investments	(0.4)

MACKENZIE EMERGING MARKETS BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

SCHEDULE OF DERIVATIVE INSTRUMENTS

as at March 31, 2023

Schedule of Futures Contracts

Type of Contract	Number of Contracts	Expiration Date	Average Rate of Contracts (\$)	Notional Value* (\$ 000)	Unrealized Gains (\$ 000)	Unrealized Losses (\$ 000)
10 Year United States Treasury Note Futures June 2023	(2)	Jun. 21, 2023	114.92	(311)	–	(8)
Total futures contracts				(311)	–	(8)

* Notional value represents the exposure to the underlying instruments as at March 31, 2023

Schedule of Forward Currency Contracts

Counterparty Credit Rating	Currency to be Received (\$ 000)	Currency to be Delivered (\$ 000)	Settlement Date	Contract Cost (\$ 000)	Current Fair Value (\$ 000)	Unrealized Gains (\$ 000)	Unrealized Losses (\$ 000)
A	167,269 CAD	(123,134) USD	Apr. 4, 2023	(167,269)	(166,414)	855	–
AA	98,554 CAD	(72,550) USD	Apr. 4, 2023	(98,554)	(98,052)	502	–
A	217 CAD	(157) USD	Apr. 4, 2023	(217)	(213)	4	–
A	7,879 USD	(10,747) CAD	Apr. 4, 2023	10,747	10,649	–	(98)
A	1,735 USD	(2,358) CAD	Apr. 4, 2023	2,358	2,345	–	(13)
Total forward currency contracts						1,361	(111)

Total Derivative assets

1,361

Total Derivative liabilities

(119)

MACKENZIE EMERGING MARKETS BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

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, 2023 and 2022, 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 11 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/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 Corporation of Canada. Canada Life Investment Management Ltd. (“CLIML”) is wholly owned by The Canada Life Assurance Company (“Canada Life”), 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 instruments 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 5, 2023.

3. Significant Accounting Policies

(a) Financial instruments

Financial instruments include financial assets and liabilities such as debt and equity securities, exchange-traded 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. 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 – Other changes in fair value of investments and other net assets – Net unrealized gain (loss).

The cost of investments is determined on a weighted average cost basis.

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.

The ETF accounts for its holdings in exchange-traded funds, if any, at FVTPL.

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 period-end.

(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.

MACKENZIE EMERGING MARKETS BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(b) Fair value measurement (cont'd)

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 and other net assets – 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 change in unrealized gains or losses that are best determined at the settlement price. 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 derivatives. Any change in the variation margin requirement is settled daily.

Premiums paid for purchasing an option are recorded in the Statement of Financial Position – Investments at fair value.

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, 2023.

The ETF categorizes the fair value of its assets and liabilities into three categories, which are differentiated based on the observable nature of the inputs and extent of estimation required.

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. Examples of Level 2 valuations include quoted prices for similar securities, quoted prices on inactive markets and from recognized investment dealers, and the application of factors derived from observable data to non-North American quoted prices in order to estimate the impact of differences in market closing times.

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

The estimated fair values for these securities may be different from the values that would have been used had a ready market for the investment existed; 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.

See Note 11 for the fair value classifications of the ETF.

(c) Income recognition

Interest income for distribution purposes represents the coupon interest received by the ETF which is accounted for on an accrual basis. The ETF does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds, which are amortized on a straight-line basis. Dividends are accrued as of the ex-dividend date. Unrealized gains or losses on investments, 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, on the ex-dividend or distribution date.

(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, exchanges, brokers, dealers and other intermediaries. The total brokerage commissions incurred by the ETF in connection with portfolio transactions for the periods, together with other transaction charges, is disclosed in the Statements of Comprehensive Income. Brokerage business is allocated to brokers based on the best net result for the ETF. Subject to this criteria, 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 these services generated during the periods is disclosed in Note 11. The value of certain proprietary services provided by brokers cannot be reasonably estimated.

MACKENZIE EMERGING MARKETS BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(d) Commissions and other portfolio transaction costs (cont'd)

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 the Statement of Comprehensive Income – expenses absorbed by Manager.

(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. 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 included in the Statement of Comprehensive Income and recognized when earned. Securities lending transactions are administered by The Bank of New York Mellon (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.

Note 11 summarizes the details of securities loaned and collateral received as at the end of period, as well as a reconciliation of securities lending income during the period, if applicable. Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments, and financial institutions.

(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 11 summarizes the details of such offsetting, if applicable, subject to master netting arrangements or other similar agreements and the net impact to the Statements of Financial Position if all such rights were exercised.

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) 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 – Other changes in fair value of investments and other net assets – 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 and is disclosed in Note 11.

(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.

(k) Future accounting changes

The ETF has determined there are no material implications to the ETF's financial statements arising from IFRS issued but not yet effective.

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.

The following discusses the most significant accounting judgments and estimates made in preparing the financial statements:

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.

MACKENZIE EMERGING MARKETS BOND INDEX ETF (CAD-HEDGED)

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NOTES TO FINANCIAL STATEMENTS

4. Critical Accounting Estimates and Judgments (cont'd)

Use of Judgments

Classification and measurement of investments

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.

Interest in unconsolidated structured entities

In determining whether an unlisted open-ended investment fund or an exchange-traded fund in which the ETF invests ("Underlying Funds"), but that it does not consolidate, meets the definition of a structured entity, Mackenzie is required to make significant judgments about whether these underlying funds have the typical characteristics of a structured entity. These Underlying Funds do meet the definition of a structured entity because:

- I. The voting rights in the Underlying Funds are not dominant factors in deciding who controls them;
- II. the activities of the Underlying Funds are restricted by their offering documents; and
- III. the Underlying Funds have narrow and well-defined investment objective to provide investment opportunities for investors while passing on the associated risks and rewards.

As a result, such investments are accounted for at FVTPL. Note 10 summarizes the details of the ETFs' interest in these Underlying Funds, if applicable.

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. The ETF maintains a December year-end for tax purposes. The ETF may be subject to withholding taxes on foreign income. In general, the ETF treats withholding tax as a charge against income for tax purposes. The ETF will distribute sufficient amounts from net income for tax purposes, as required, so that the ETF will not pay income taxes other than refundable tax on capital gains, 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 11 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.

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 11 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.

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7. Units and Unit Transactions (cont'd)

The number of units issued/redeemed for subscription/redemption 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 any 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, 2023 and 2022 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 11.

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, 2023, 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 become 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 85% of its assets in liquid investments (i.e., investments that can be readily sold). The ETF also has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions and an additional 5% of its net assets for the purpose of funding distributions paid to its investors.

iii. Currency risk

Currency risk is the risk that financial instruments which are denominated or exchanged in a currency other than the Canadian dollar, which is the ETF's functional currency, will fluctuate due to changes in exchange rates. Generally, foreign denominated investments increase in value when the value of the Canadian dollar (relative to foreign currencies) falls. Conversely, when the value of the Canadian dollar rises relative to foreign currencies, the values of foreign denominated investments fall.

Note 11 indicates the foreign currencies, if applicable, to which the ETF had significant exposure, including both monetary and non-monetary financial instruments, and illustrates the potential impact, in Canadian dollar terms, to the ETF's net assets had the Canadian dollar strengthened or weakened by 5% relative to all foreign currencies, all other variables held constant. In practice, the actual trading results may differ and the difference could be material.

The ETF's sensitivity to currency risk illustrated in Note 11 includes potential indirect impacts from underlying ETFs in which the ETF invests, and/or derivative contracts including forward currency contracts. Other financial assets and liabilities (including dividends and interest receivable, and receivables/payables for investments sold/purchased) that are denominated in foreign currencies do not expose the ETF to significant currency risk.

iv. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The ETF is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Generally, these securities increase in value when interest rates fall and decrease in value when interest rates rise.

If significant, Note 11 summarizes the ETF's interest-bearing financial instruments by remaining term to maturity and illustrates the potential impact to the ETF's net assets had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, all other variables held constant. The ETF's sensitivity to interest rate changes was estimated using weighted average duration. In practice, the actual trading results may differ and the difference could be material.

The ETF's sensitivity to interest rate risk illustrated in Note 11 includes potential indirect impacts from underlying ETFs in which the ETF invests, and/or derivative contracts. Cash and cash equivalents and other money market instruments are short term in nature and are not generally subject to significant amounts of interest rate risk.

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9. Financial Instruments Risk (cont'd)

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, theoretically 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.

Other price risk typically arises from exposure to equity and commodity securities. If significant, Note 11 illustrates the potential increase or decrease in the ETF's net assets, had the prices on the respective exchanges for these securities increased or decreased by 10%, all other variables held constant. In practice, the actual trading results may differ and the difference could be material.

The ETF's sensitivity to other price risk illustrated in Note 11 includes potential indirect impacts from underlying ETFs in which the ETF invests, and/or derivative contracts.

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 11 summarizes the ETF's exposure, if applicable and significant, to credit risk.

If presented, credit ratings and rating categories are based on ratings issued by a designated rating organization. Indirect exposure to credit risk may arise from fixed-income securities, such as bonds, held by underlying ETFs, if any. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

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 11 summarizes the ETF's exposure, if applicable and significant, to these risks from underlying ETF.

10. Other Information

Abbreviations

Foreign currencies, if any, are presented in these financial statements using the following abbreviated currency codes:

Currency Code	Description	Currency Code	Description	Currency Code	Description
AUD	Australian dollars	HUF	Hungarian forint	PLN	Polish zloty
AED	United Arab Emirates Dirham	IDR	Indonesian rupiah	QAR	Qatar Rial
BRL	Brazilian real	ILS	Israeli shekel	RON	Romanian leu
CAD	Canadian dollars	INR	Indian rupee	RUB	Russian ruble
CHF	Swiss franc	JPY	Japanese yen	SAR	Saudi riyal
CKZ	Czech koruna	KOR	South Korean won	SEK	Swedish krona
CLP	Chilean peso	MXN	Mexican peso	SGD	Singapore dollars
CNY	Chinese yuan	MYR	Malaysian ringgit	THB	Thailand baht
COP	Colombian peso	NGN	Nigerian naira	TRL	Turkish lira
DKK	Danish krone	NOK	Norwegian krona	USD	United States dollars
EGP	Egyptian pound	NTD	New Taiwan dollar	VND	Vietnamese dong
EUR	Euro	NZD	New Zealand dollars	ZAR	South African rand
GBP	United Kingdom pounds	PEN	Peruvian nuevo sol	ZMW	Zambian kwacha
GHS	Ghana Cedi	PHP	Philippine peso		
HKD	Hong Kong dollars	PKR	Pakistani rupee		

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NOTES TO FINANCIAL STATEMENTS

11. ETF Specific Information (in '000, except for (a))

(a) ETF Formation and Series Information

Date of Formation: June 25, 2019

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.

CAD Units were listed on the TSX under the symbol QEBH on July 25, 2019. The closing market price, or the midpoint of the bid and ask prices in the absence of a closing market price, at March 31, 2023 was \$76.47 (2022 – \$85.56).

The management fee rate for CAD Units is 0.45%.

As at March 31, 2023, the ETF's NAV per unit was \$75.75 (2022 – \$85.25) and its Net Assets per unit calculated in accordance with IFRS was \$75.75 (2022 – \$85.25).

(b) Tax Loss Carryforwards

Total Capital Loss \$	Total Non-Capital Loss \$	Expiration Date of Non-Capital Losses													
		2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
113,019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(c) Securities Lending

	March 31, 2023		March 31, 2022	
	(\$)		(\$)	
Value of securities loaned	2,034		703	
Value of collateral received	2,136		763	

	March 31, 2023		March 31, 2022	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	10	100.0	17	100.0
Tax withheld	(3)	(30.0)	(5)	(29.4)
	7	70.0	12	70.6
Payments to Securities Lending Agent	(1)	(10.0)	(2)	(11.8)
Securities lending income	6	60.0	10	58.8

(d) Commissions

	(\$)
March 31, 2023	-
March 31, 2022	-

(e) 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 Solactive EM USD Govt & Govt Related Bond Select CAD Hedged NTR Index or any successor thereto. It invests primarily in U.S. dollar-denominated, emerging market government bonds and government-related bonds. Foreign currency exposure is hedged back to the Canadian dollar.

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NOTES TO FINANCIAL STATEMENTS

11. ETF Specific Information (in '000, except for (a)) (cont'd)

(e) Risks Associated with Financial Instruments (cont'd)

ii. Currency risk

The tables below summarize the ETF's exposure to currency risk.

March 31, 2023								
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)	Impact on net assets			
					Strengthened by 5%		Weakened by 5%	
					(\$)	%	(\$)	%
USD	251,132	932	(251,693)	371				
EUR	–	4	–	4				
Total	251,132	936	(251,693)	375				
% of Net Assets	97.5	0.4	(97.7)	0.2				
Total currency rate sensitivity					(19)	–	19	–

March 31, 2022								
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)	Impact on net assets			
					Strengthened by 5%		Weakened by 5%	
					(\$)	%	(\$)	%
USD	494,517	242	(510,926)	(16,167)				
Total	494,517	242	(510,926)	(16,167)				
% of Net Assets	95.9	–	(99.1)	(3.2)				
Total currency rate sensitivity					808	0.2	(808)	(0.2)

* Includes both monetary and non-monetary financial instruments

iii. Interest rate risk

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

March 31, 2023	Bonds (\$)	Derivative Instruments (\$)	Impact on net assets			
			Increase by 1%		Decrease by 1%	
			(\$)	(%)	(\$)	(%)
Less than 1 year	5,971	(311)				
1-5 years	83,197	–				
5-10 years	70,422	–				
Greater than 10 years	91,542	–				
Total	251,132	(311)				
Total sensitivity to interest rate changes			(17,287)	(6.7)	17,287	6.7

March 31, 2022	Bonds (\$)	Derivative Instruments (\$)	Impact on net assets			
			Increase by 1%		Decrease by 1%	
			(\$)	(%)	(\$)	(%)
Less than 1 year	20,471	6,110				
1-5 years	140,026	–				
5-10 years	147,013	–				
Greater than 10 years	187,007	–				
Total	494,517	6,110				
Total sensitivity to interest rate changes			(37,899)	(7.3)	37,899	7.3

iv. Other price risk

As at March 31, 2023 and 2022, the ETF did not have a significant exposure to other price risk.

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NOTES TO FINANCIAL STATEMENTS

11. ETF Specific Information (in '000, except for (a)) (cont'd)

(e) Risks Associated with Financial Instruments (cont'd)

v. Credit risk

The ETF's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum exposure to any one debt issuer as at March 31, 2023, was 6.6% (2022 – 5.9%) of the net assets of the ETF.

As at March 31, 2023 and 2022, debt securities by credit rating are as follows:

Bond Rating*	March 31, 2023	March 31, 2022
	% of Net Assets	% of Net Assets
AAA	–	–
AA	11.6	–
A	17.1	11.7
BBB	26.6	16.9
BB	34.0	24.5
Less than BB	8.2	34.2
Unrated	–	8.6
Total	97.5	95.9

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

(f) Fair Value Classification

The table below summarizes the fair value of the ETF's financial instruments using the fair value hierarchy described in note 3.

	March 31, 2023				March 31, 2022			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	251,132	–	251,132	–	494,517	–	494,517
Derivative assets	–	1,361	–	1,361	55	10,010	–	10,065
Derivative liabilities	(8)	(111)	–	(119)	(121)	(516)	–	(637)
Total	(8)	252,382	–	252,374	(66)	504,011	–	503,945

The ETF's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

During the periods, there were no transfers between Level 1 and Level 2.

(g) Investments by the Manager and Affiliates

The investments held by the Manager, other funds managed by the Manager, and funds managed by affiliates of the Manager were as follows:

	March 31, 2023	March 31, 2022
	(\$)	(\$)
The Manager	–	–
Other funds managed by the Manager	139,639	214,638
Funds managed by affiliates of the Manager	114,857	287,415

(h) Offsetting of Financial Assets and Liabilities

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

	March 31, 2023			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	1,357	(98)	–	1,259
Unrealized losses on derivative contracts	(106)	98	15	7
Liability for options written	–	–	–	–
Total	1,251	–	15	1,266

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NOTES TO FINANCIAL STATEMENTS

11. ETF Specific Information (in '000, except for (a)) (cont'd)

(h) Offsetting of Financial Assets and Liabilities (cont'd)

	March 31, 2022			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	55	(55)	–	–
Unrealized losses on derivative contracts	(121)	55	110	44
Liability for options written	–	–	–	–
Total	(66)	–	110	44

(i) Interest in Unconsolidated Structured Entities

As at March 31, 2023 and 2022, the ETF had no investments in Underlying Funds.