

## ***Interim Unaudited Financial Statements***

*For the Six-Month Period Ended September 30, 2019*

*These Interim Unaudited Financial Statements do not contain the Interim Management Report of Fund Performance (“MRFP”) of the ETF. You may obtain a copy of the Interim MRFP, at no cost, by calling the toll-free number 1-800-387-0614, by writing to us at Mackenzie Financial Corporation, 180 Queen Street West, Toronto, Ontario M5V 3K1, by visiting our website at [www.mackenzieinvestments.com](http://www.mackenzieinvestments.com) or by visiting the SEDAR website at [www.sedar.com](http://www.sedar.com). Copies of the Annual Financial Statements or Annual MRFP may also be obtained, at no cost, using any of the methods outlined above.*

*Unitholders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.*

### **NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS**

*Mackenzie Financial Corporation, the Manager of the ETF, appoints independent auditors to audit the ETF's Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Interim Financial Statements, this must be disclosed in an accompanying notice.*

*The ETF's independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.*



# MACKENZIE MAXIMUM DIVERSIFICATION EMERGING MARKETS INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

STRATEGIC BETA INDEX ETF

## STATEMENTS OF FINANCIAL POSITION

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

	Sep. 30 2019	Mar. 31 2019 (Audited)
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Investments at fair value	61,785	114,655
Cash and cash equivalents	485	467
Dividends receivable	57	280
Accounts receivable for investments sold	–	281
Accounts receivable for units issued	–	–
<b>Total assets</b>	<b>62,327</b>	<b>115,683</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable for investments purchased	–	563
Accounts payable for units redeemed	–	–
Due to manager	380	399
<b>Total liabilities</b>	<b>380</b>	<b>962</b>
<b>Net assets attributable to unitholders</b>	<b>61,947</b>	<b>114,721</b>
<b>Net assets attributable to unitholders per series (note 3)</b>		
Series E	61,947	114,721
<b>Net assets attributable to unitholders per unit (note 3)</b>		
Series E	22.94	23.90

## STATEMENTS OF COMPREHENSIVE INCOME

*For the periods ended September 30 (note 1)  
In thousands (except per unit figures)*

	2019 \$	2018 \$
<b>Income</b>		
Dividends	1,210	2,158
Interest income	4	2
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(1,940)	(1,900)
Net unrealized gain (loss)	(3,176)	(10,583)
Securities lending income	8	23
Other	237	161
<b>Total income (loss)</b>	<b>(3,657)</b>	<b>(10,139)</b>
<b>Expenses (note 6)</b>		
Management fees	213	428
Management fee rebates	(38)	(163)
Interest charges	7	2
Commissions and other portfolio transaction costs	295	251
Independent Review Committee fees	–	–
Other	1	–
<b>Expenses before amounts absorbed by Manager</b>	<b>478</b>	<b>518</b>
Expenses absorbed by Manager	–	–
<b>Net expenses</b>	<b>478</b>	<b>518</b>
<b>Increase (decrease) in net assets attributable to unitholders from operations before tax</b>		
	<b>(4,135)</b>	<b>(10,657)</b>
Foreign withholding taxes	78	681
Foreign income taxes paid (recovered)	–	–
<b>Increase (decrease) in net assets attributable to unitholders from operations</b>	<b>(4,213)</b>	<b>(11,338)</b>
<b>Increase (decrease) in net assets attributable to unitholders from operations per series</b>		
Series E	(4,213)	(11,338)
<b>Increase (decrease) in net assets attributable to unitholders from operations per unit</b>		
Series E	(1.27)	(2.16)

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



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# MACKENZIE MAXIMUM DIVERSIFICATION EMERGING MARKETS INDEX ETF

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STRATEGIC BETA INDEX ETF

## STATEMENTS OF CHANGES IN FINANCIAL POSITION

For the periods ended September 30 (note 1)

	2019	2018
	Series E	
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<b>\$</b>	
<b>Beginning of period</b>	<b>114,721</b>	<b>114,155</b>
Increase (decrease) in net assets from operations	(4,213)	(11,338)
Distributions paid to unitholders:		
Investment income	(276)	(356)
Capital gains	–	–
Management fee rebates	(38)	(163)
Total distributions paid to unitholders	(314)	(519)
Unit transactions:		
Proceeds from units issued	14,074	37,975
Reinvested distributions	–	–
Payments on redemption of units	(62,321)	(14,288)
Total unit transactions	(48,247)	23,687
<b>Total increase (decrease) in net assets</b>	<b>(52,774)</b>	<b>11,830</b>
<b>End of period</b>	<b>61,947</b>	<b>125,985</b>
	<b>Units</b>	
<b>Increase (decrease) in units (note 7):</b>		
<b>Units outstanding – beginning of period</b>	<b>4,800</b>	<b>4,500</b>
Issued	600	1,500
Reinvested distributions	–	–
Redeemed	(2,700)	(600)
<b>Units outstanding – end of period</b>	<b>2,700</b>	<b>5,400</b>

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## STATEMENTS OF CASH FLOWS

For the periods ended September 30 (note 1)

	2019	2018
	\$	\$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to unitholders from operations	(4,213)	(11,338)
Adjustments for:		
Net realized loss (gain) on investments	1,856	1,696
Change in net unrealized loss (gain) on investments	3,176	10,583
Purchase of investments	(28,278)	(78,188)
Proceeds from sale and maturity of investments	75,825	54,280
Change in dividends receivable	223	(13)
Change in due to manager	(19)	388
<b>Net cash from operating activities</b>	<b>48,570</b>	<b>(22,592)</b>
<b>Cash flows from financing activities</b>		
Proceeds from units issued	14,074	37,975
Payments on redemption of units	(62,321)	(14,288)
Distributions paid net of reinvestments	(314)	(519)
<b>Net cash from financing activities</b>	<b>(48,561)</b>	<b>23,168</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>9</b>	<b>576</b>
Cash and cash equivalents at beginning of period	467	162
Effect of exchange rate fluctuations on cash and cash equivalents	9	88
<b>Cash and cash equivalents at end of period</b>	<b>485</b>	<b>826</b>
Cash	485	826
Cash equivalents	—	—
<b>Cash and cash equivalents at end of period</b>	<b>485</b>	<b>826</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	1,433	2,145
Foreign taxes paid	78	681
Interest received	4	2
Interest paid	7	2

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# MACKENZIE MAXIMUM DIVERSIFICATION EMERGING MARKETS INDEX ETF

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## SCHEDULE OF INVESTMENTS

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS</b>					
Britannia Industries 8.00% 08-28-22	India	Corporate - Non Convertible	INR 58,920	–	1
<b>Total bonds</b>				–	1
<b>EQUITIES</b>					
3SBio Inc.	China	Health Care	21,773	52	48
AAC Technologies Holdings Inc.	China	Information Technology	9,077	157	64
Accton Technology Corp.	Taiwan	Information Technology	43,119	189	301
Adani Power Ltd.	India	Utilities	39,286	47	47
Aditya Birla Fashion and Retail Ltd.	India	Consumer Discretionary	26,072	99	103
Advanced Info Service PCL	Thailand	Communication Services	47,135	366	449
Airports of Thailand PCL	Thailand	Industrials	32,074	81	104
Alfa SA Series A	Mexico	Industrials	119,445	170	139
Alibaba Health Information Technology Ltd.	China	Health Care	54,743	68	63
Alibaba Pictures Group Ltd.	Hong Kong	Communication Services	1,107,147	214	237
Allahabad Bank	India	Financials	119,022	68	64
Alpha Bank AE	Greece	Financials	111,048	289	275
Alsea SAB de CV	Mexico	Consumer Discretionary	14,320	44	44
Ambev SA	Brazil	Consumer Staples	27,933	178	170
America Movil SAB de CV	Mexico	Communication Services	226,920	228	223
Amorepacific Corp.	South Korea	Consumer Staples	372	118	58
AngloGold Ltd.	South Africa	Materials	32,722	502	811
Anta Sports Products Ltd.	China	Consumer Discretionary	44,345	293	486
Apollo Hospitals Enterprise Ltd.	India	Health Care	9,307	203	243
Ashok Leyland Ltd.	India	Industrials	63,374	82	81
Asian Paints Ltd.	India	Materials	8,796	214	290
Aspen Pharmacare Holdings Ltd.	South Africa	Health Care	5,099	42	38
ASUSTeK Computer Inc.	Taiwan	Information Technology	15,602	176	137
AU Small Finance Bank Ltd.	India	Financials	3,500	42	43
Autohome Inc. ADR	China	Communication Services	1,361	166	150
Avenue Supermarts Ltd.	India	Consumer Staples	1,911	63	66
Axis Bank Ltd.	India	Financials	20,727	231	265
Ayala Corp.	Philippines	Industrials	6,922	166	156
Ayala Land Inc.	Philippines	Real Estate	138,876	152	175
Azul SA	Brazil	Industrials	2,564	40	41
B Grimm Power PCL	Thailand	Utilities	24,904	45	47
B2W Cia Digital Receipt	Brazil	Consumer Discretionary	2,559	32	39
B2W Cia Digital	Brazil	Consumer Discretionary	15,584	197	237
B3 SA- Brasil Bolsa Balcao	Brazil	Financials	11,685	162	163
Bajaj Auto Ltd.	India	Consumer Discretionary	2,443	139	134
Bajaj Finance Ltd.	India	Financials	2,895	118	219
Bajaj Finserv Ltd.	India	Financials	1,046	114	166
Balkrishna Industries Ltd.	India	Consumer Discretionary	10,397	194	151
Banco Bradesco SA	Brazil	Financials	17,315	202	173
Banco Del Bajio SA	Mexico	Financials	25,319	58	55
Banco do Brasil SA	Brazil	Financials	16,084	257	233
Banco do Estado do Rio Grande do Sul SA	Brazil	Financials	20,519	163	147
Banco Inter SA	Brazil	Financials	29,588	185	178
Banco Santander Brasil SA Units	Brazil	Financials	2,992	42	43
Bancolumbia SA	Colombia	Financials	2,786	43	42



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## SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Bancolumbia SA Pfd.	Colombia	Financials	2,610	44	43
Bangkok Bank PCL	Thailand	Financials	24,120	193	184
Bangkok Dusit Medical Services PCL	Thailand	Health Care	296,840	282	311
Bangkok Expressway and Metro PCL	Thailand	Industrials	445,181	150	208
Bank of Baroda	India	Financials	104,570	270	182
Bank of Philippine Islands	Philippines	Financials	76,942	190	183
Barito Pacific Tbk PT	Indonesia	Materials	483,864	46	45
BB Seguridade Participacoes SA	Brazil	Financials	3,937	43	44
BDO Unibank Inc.	Philippines	Financials	12,053	43	44
Becle SAB de CV	Mexico	Consumer Staples	39,647	82	77
BeiGene Ltd.	China	Health Care	1,333	239	216
Beijing Capital International Airport Co. Ltd. H	China	Industrials	91,697	158	104
Berger Paints India Ltd.	India	Materials	14,351	78	117
Berli Jucker PCL	Thailand	Consumer Staples	92,138	195	210
BGF Retail Co. Ltd.	South Korea	Consumer Staples	884	194	193
Bharat Petroleum Corp. Ltd.	India	Energy	12,102	105	106
Bharti Airtel Ltd.	India	Communication Services	25,457	177	175
Bharti Infratel Ltd.	India	Communication Services	64,926	420	312
BIM Birlesik Magazalar AS	Turkey	Consumer Staples	18,969	214	218
Biocon Ltd.	India	Health Care	44,310	225	185
BOC Hong Kong (Holdings) Ltd.	China	Financials	48,943	291	220
Bosideng International Holdings Ltd.	China	Consumer Discretionary	83,892	48	47
BRF SA	Brazil	Consumer Staples	8,753	103	106
Britannia Industries Ltd.	India	Consumer Staples	1,987	95	109
BTS Group Holdings PCL	Thailand	Industrials	101,292	59	59
Bumrungrad Hospital Public Co. Ltd.	Thailand	Health Care	32,657	249	181
BYD Co. Ltd. H	China	Consumer Discretionary	6,266	44	41
Carabao Group PCL (Foreign)	Thailand	Consumer Staples	35,602	115	126
Castrol India Ltd.	India	Materials	47,823	157	122
Cathay Financial Holding Co. Ltd.	Taiwan	Financials	136,071	286	238
CCR SA	Brazil	Industrials	8,091	44	44
CD Projekt SA	Poland	Communication Services	538	44	43
Celltrion Inc.	South Korea	Health Care	817	188	148
Central Pattana PCL	Thailand	Real Estate	25,277	77	74
CESP - Companhia Energetica de Sao Paulo Pref. B	Brazil	Utilities	4,697	42	43
Charoen Pokphand Foods PCL	Thailand	Consumer Staples	93,568	113	106
Charoen Pokphand Indonesia TBK	Indonesia	Consumer Staples	108,628	54	54
China Communication Services Corp. Ltd.	China	Industrials	224,737	254	169
China Conch Venture Holdings Ltd.	China	Industrials	26,374	122	129
China Everbright International Ltd.	China	Industrials	98,731	158	101
China Evergrande Group	China	Real Estate	14,857	56	42
China First Capital Group Ltd.	Hong Kong	Consumer Discretionary	343,566	221	133
China Gas Holdings Ltd.	Hong Kong	Utilities	36,532	171	187
China Huishan Dairy Holdings Co. Ltd.	China	Consumer Staples	77,481	37	—
China Mengniu Dairy Co. Ltd.	China	Consumer Staples	34,921	161	173
China Mobile Ltd.	China	Communication Services	61,138	773	669
China Resources Enterprise Ltd.	China	Consumer Staples	17,487	85	123
China Resources Gas Group Ltd.	China	Utilities	82,329	446	539
China Steel Corp.	Taiwan	Materials	181,696	191	178
China Telecom Corp. Ltd. H	China	Communication Services	244,140	152	147



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STRATEGIC BETA INDEX ETF

## SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
China Unicom (Hong Kong) Ltd.	China	Communication Services	105,794	177	149
China Water Affairs Group Ltd.	China	Utilities	94,599	135	97
Chunghwa Telecom Co. Ltd.	Taiwan	Communication Services	38,934	180	184
Cielo SA	Brazil	Information Technology	67,669	200	172
Cipla Ltd./India	India	Health Care	21,173	234	168
City Union Bank Ltd.	India	Financials	35,681	143	146
CJ O Shopping Co. Ltd.	South Korea	Consumer Discretionary	256	69	48
Companhia de Saneamento Basico do Estado de Sao Paulo (SABESP)	Brazil	Utilities	6,584	110	103
Companhia de Saneamento de Minas Gerais - COPASA MG	Brazil	Utilities	7,926	156	171
Companhia Paranaense de Energia - COPEL Pfd. B	Brazil	Utilities	8,748	124	139
Compania de Minas Buenaventura SA ADR	Peru	Materials	5,908	112	119
Country Garden Services Holdings Co. Ltd.	China	Industrials	11,601	44	44
CP ALL PCL	Thailand	Consumer Staples	197,550	601	694
CSPC Pharmaceuticals Group Ltd.	China	Health Care	53,569	140	142
CTBC Financial Holding Co. Ltd.	Taiwan	Financials	174,062	153	153
Ctrip.com International Ltd. ADR	China	Consumer Discretionary	945	41	37
Cyrela Brazil Realty SA	Brazil	Consumer Discretionary	7,034	53	54
Dali Foods Group Co. Ltd.	China	Consumer Staples	254,653	268	207
DB Insurance Co. Ltd.	South Korea	Financials	3,478	269	199
Dialog Group BHD	Malaysia	Energy	270,555	292	291
DiGi.Com BHD	Malaysia	Communication Services	65,262	100	98
Divi's Laboratories Ltd.	India	Health Care	7,636	216	238
Douzone Bizon Co. Ltd.	South Korea	Information Technology	631	45	46
Dr. Reddy's Laboratories Ltd.	India	Health Care	4,277	217	216
E Ink Holdings Inc.	Taiwan	Information Technology	79,540	114	96
Eclat Textile Co. Ltd.	Taiwan	Consumer Discretionary	12,517	198	222
Ecopetrol SA	Colombia	Energy	37,582	44	42
Edelweiss Financial Services Ltd.	India	Financials	36,720	85	65
EFG Eurobank Ergasias	Greece	Financials	197,412	245	253
Eicher Motors Ltd.	India	Consumer Discretionary	207	69	69
El Puerto de Liverpool SAB de CV	Mexico	Consumer Discretionary	5,923	45	43
Embraer SA	Brazil	Industrials	46,198	322	264
Energy Absolute PCL	Thailand	Utilities	131,829	232	274
ENN Energy Holdings Ltd.	China	Utilities	26,759	304	367
Eregli Demir Ve Celik Fabrikalari TAS	Turkey	Materials	71,954	171	116
EVA Airways Corp.	Taiwan	Industrials	210,338	126	123
Fanhua Inc.	China	Financials	3,250	119	115
Far EasTone Telecommunications Co. Ltd.	Taiwan	Communication Services	131,943	420	408
The Federal Bank Ltd.	India	Financials	101,870	184	172
Feng TAY Enterprise Co. Ltd.	Taiwan	Consumer Discretionary	26,860	251	255
Fibra Uno Administration SA	Mexico	Real Estate	23,131	46	45
Fila Korea Ltd.	South Korea	Consumer Discretionary	4,434	329	284
Fomento Economico Mexicano SA de CV UBD	Mexico	Consumer Staples	33,264	395	403
Formosa Plastics Corp.	Taiwan	Materials	57,132	243	230
Fubon Financial Holding Co. Ltd.	Taiwan	Financials	127,302	265	242
Future Retail Ltd.	India	Consumer Discretionary	15,220	133	108
Gamuda BHD	Malaysia	Industrials	158,585	167	186
Genting Malaysia BHD	Malaysia	Consumer Discretionary	182,536	245	175
Giant Manufacturing Co. Ltd.	Taiwan	Consumer Discretionary	21,292	219	192
Glenmark Pharmaceuticals Ltd.	India	Health Care	13,222	152	80



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## SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Global Power Synergy PCL	Thailand	Utilities	17,187	52	52
Gold Fields Ltd.	South Africa	Materials	69,431	377	461
GOME Electrical Appliance Holdings Ltd.	China	Consumer Discretionary	727,894	110	87
Grasim Industries Ltd.	India	Materials	3,263	46	45
Gruh Finance Ltd.	India	Financials	34,757	196	175
Grupa Lotos SA	Poland	Energy	1,527	43	45
Grupo Elektra SAB de CV	Mexico	Financials	6,675	340	625
Grupo Financiero Banorte SAB de CV Series O	Mexico	Financials	35,035	251	250
Grupo Financiero Inbursa SAB de CV	Mexico	Financials	25,520	46	43
Grupo Televisa SAB	Mexico	Communication Services	45,018	213	117
Guangdong Investment Ltd.	China	Utilities	131,103	290	340
Gulf Energy Development PCL	Thailand	Utilities	6,819	45	47
Hana Financial Group Inc.	South Korea	Financials	3,204	158	125
Hanjin Kal Corp.	South Korea	Industrials	2,826	106	85
Hanmi Pharm Co. Ltd.	South Korea	Health Care	154	72	47
Hanmi Science Co. Ltd.	South Korea	Health Care	956	83	42
Hanon Systems	South Korea	Consumer Discretionary	9,237	124	123
Hartalega Holdings Bhd	Malaysia	Health Care	73,836	123	123
HCL Technologies Ltd.	India	Information Technology	16,264	294	328
HDFC Standard Life Insurance Co. Ltd.	India	Financials	4,353	46	49
Helixmith Co. Ltd.	South Korea	Health Care	213	42	16
Hellenic Telecommunications Organization SA (OTE)	Greece	Communication Services	4,552	75	83
Hengan International Group Co. Ltd.	China	Consumer Staples	20,069	223	174
Hero MotoCorp Ltd.	India	Consumer Discretionary	2,687	178	136
Hindustan Lever Ltd.	India	Consumer Staples	23,788	645	880
Hindustan Petroleum Corp. Ltd.	India	Energy	66,110	331	373
HLB Inc.	South Korea	Consumer Discretionary	3,383	210	226
Home Product Center PCL	Thailand	Consumer Discretionary	209,000	121	155
Hon Hai Precision Industry Co. Ltd.	Taiwan	Information Technology	84,292	411	263
Housing Development Finance Corp. Ltd.	India	Financials	2,868	103	106
Hypera SA	Brazil	Health Care	15,616	160	167
Hyundai Elevator Co. Ltd.	South Korea	Industrials	1,319	154	130
Hyundai Engineering & Construction Co. Ltd.	South Korea	Industrials	1,105	78	57
Hyundai Glovis Co. Ltd.	South Korea	Industrials	999	154	173
Hyundai Marine & Fire Insurance Co. Ltd.	South Korea	Financials	4,293	187	125
Hyundai Mobis	South Korea	Consumer Discretionary	626	170	175
Hyundai Motor Co. Ltd. 2nd Pfd.	South Korea	Consumer Discretionary	1,383	152	130
Hyundai Motor Co.	South Korea	Consumer Discretionary	304	44	45
Hyundai Rotem Co. Ltd.	South Korea	Industrials	5,061	167	109
ICICI Lombard General Insurance Co. Ltd.	India	Financials	2,056	48	46
IHH Healthcare BHD	Malaysia	Health Care	54,084	101	97
Impala Platinum Holdings Ltd.	South Africa	Materials	6,560	55	55
Indiabulls Housing Finance Ltd.	India	Financials	23,279	240	111
Indorama Ventures PCL	Thailand	Materials	27,091	51	38
Indraprastha Gas Ltd.	India	Utilities	25,268	140	165
Info Edge (India) Ltd.	India	Communication Services	6,645	251	251
Infosys Ltd.	India	Information Technology	61,209	706	920
Infraestructura Energetica Nova SAB de CV	Mexico	Utilities	30,754	167	162
InterGlobe Aviation Ltd.	India	Industrials	9,716	216	343
Intouch Holdings PCL	Thailand	Communication Services	15,723	46	45



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## SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2019

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<b>EQUITIES (cont'd)</b>					
Inventec Corp.	Taiwan	Information Technology	100,492	102	92
IRB Brasil Resseguros SA	Brazil	Financials	16,206	168	193
IRPC PCL	Thailand	Energy	243,293	39	39
Itau Unibanco Holding SA	Brazil	Financials	3,770	42	42
Jollibee Foods Corp.	Philippines	Consumer Discretionary	49,806	325	282
Kakao Corp.	South Korea	Communication Services	295	45	44
Kasikornbank PCL	Thailand	Financials	35,582	291	242
Kia Motors Corp.	South Korea	Consumer Discretionary	1,311	64	66
Kiatnakin Bank PCL	Thailand	Financials	17,012	49	49
Kingdee International Software Co. Ltd.	China	Information Technology	31,796	46	44
Klabin SA	Brazil	Materials	8,733	43	43
Koc Holding AS	Turkey	Industrials	10,107	42	45
Korea Aerospace Industries Ltd.	South Korea	Industrials	5,809	285	251
Kroton Educacional SA	Brazil	Consumer Discretionary	39,887	188	142
Krung Thai Bank Public Co. Ltd.	Thailand	Financials	56,631	43	42
Krungthai Card PCL	Thailand	Financials	84,360	156	156
Largan Precision Co. Ltd.	Taiwan	Information Technology	941	191	179
Larsen & Toubro Infotech Ltd.	India	Information Technology	2,791	80	79
Lenovo Group Ltd.	China	Information Technology	94,810	80	84
LG Electronics Inc.	South Korea	Consumer Discretionary	919	90	69
LG Household & Health Care Ltd.	South Korea	Consumer Staples	92	135	133
LG Uplus Corp.	South Korea	Communication Services	22,018	368	333
Li Ning Co. Ltd.	China	Consumer Discretionary	175,015	283	664
Linx SA	Brazil	Information Technology	13,786	149	143
Lite-On Technology Corp.	Taiwan	Information Technology	59,865	113	126
Localiza Rent a Car SA	Brazil	Industrials	11,721	125	169
Lojas Americanas SA Pfd.	Brazil	Consumer Discretionary	7,075	44	45
Lojas Renner SA	Brazil	Consumer Discretionary	12,483	162	200
Lotte Shopping Co. Ltd.	South Korea	Consumer Discretionary	482	110	69
Lupin Ltd.	India	Health Care	13,841	259	185
Magazine Luiza SA	Brazil	Consumer Discretionary	21,224	173	249
Mahindra & Mahindra Ltd.	India	Consumer Discretionary	16,461	230	168
Makalot Industrial Co. Ltd.	Taiwan	Consumer Discretionary	21,242	180	149
Malayan Banking BHD	Malaysia	Financials	49,649	148	134
Malaysia Airports Holdings BHD	Malaysia	Industrials	82,153	224	225
Maruti Suzuki India Ltd.	India	Consumer Discretionary	1,654	251	208
Max Financial Services Ltd.	India	Financials	18,453	189	147
Maxis BHD	Malaysia	Communication Services	57,358	106	102
MediaTek Inc.	Taiwan	Information Technology	14,895	189	235
Medy-Tox Inc.	South Korea	Health Care	225	137	90
Mega Financial Holding Co. Ltd.	Taiwan	Financials	125,925	144	155
Megacable Holdings SAB de CV	Mexico	Communication Services	32,056	178	171
Merida Industry Co. Ltd.	Taiwan	Consumer Discretionary	12,151	93	92
Minor International PCL	Thailand	Consumer Discretionary	26,036	42	42
MOL Magyar Olaj-es Gazipari RT	Hungary	Energy	10,903	152	136
Motor Oil (Hellas) Corinth Refineries SA	Greece	Energy	6,830	224	211
Mphasis Ltd.	India	Information Technology	10,630	211	190
Muangthai Capital PCL	Thailand	Financials	19,040	46	47
Muthoot Finance Ltd.	India	Financials	16,186	188	204
Nan Ya Plastic Corp.	Taiwan	Materials	54,234	179	161



**MACKENZIE**  
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# MACKENZIE MAXIMUM DIVERSIFICATION EMERGING MARKETS INDEX ETF

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STRATEGIC BETA INDEX ETF

## SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
National Bank of Greece SA	Greece	Financials	26,089	88	105
Natura Cosméticos SA	Brazil	Consumer Staples	12,047	123	131
Naver Corp.	South Korea	Communication Services	1,324	205	230
NCsoft Corp.	South Korea	Communication Services	266	136	153
NEPI Rockcastle PLC	Romania	Real Estate	3,613	44	42
Nestle India Ltd.	India	Consumer Staples	540	91	140
Nestle Malaysia BHD	Malaysia	Consumer Staples	1,082	50	50
NetEase Inc.	China	Communication Services	205	73	72
Netmarble Corp.	South Korea	Communication Services	399	43	42
Nien Made Enterprise Co. Ltd.	Taiwan	Consumer Discretionary	15,691	165	182
Notre Dame Intermedica Participacoes SA	Brazil	Health Care	2,499	43	43
OdontoPrev SA	Brazil	Health Care	18,579	109	96
OPAP SA	Greece	Consumer Discretionary	6,002	88	82
Orange Polska SA	Poland	Communication Services	26,939	52	49
Oriental Bank of Commerce	India	Financials	34,998	42	39
Orion Corp./Republic of Korea	South Korea	Consumer Staples	1,839	239	200
OTP Bank NYRT	Hungary	Financials	2,835	143	156
Ottogi Corp.	South Korea	Consumer Staples	118	102	76
Page Industries Ltd.	India	Consumer Discretionary	333	131	140
Petrobras Distribuidora SA	Brazil	Consumer Discretionary	5,358	47	47
Petróleo Brasileiro SA - Petrobras Pfd.	Brazil	Energy	38,537	260	337
Petróleo Brasileiro SA - Petrobras	Brazil	Energy	38,616	342	371
PICC Property & Casualty Co. Ltd. H	China	Financials	99,645	147	154
Piraeus Bank SA	Greece	Financials	28,001	121	124
PLAY Communications SA	Poland	Communication Services	7,788	71	71
PLDT Inc.	Philippines	Communication Services	11,911	382	344
Polski Koncern Naftowy Orlen SA	Poland	Energy	2,683	87	87
Polymetal International PLC	Russia	Materials	12,193	158	227
Postal Savings Bank of China Co. Ltd.	China	Financials	54,688	44	44
Power Grid Corp. of India Ltd.	India	Utilities	32,231	129	120
Powszechna Kasa Oszczednosci Bank Polski	Poland	Financials	4,758	63	62
President Chain Store Corp.	Taiwan	Consumer Staples	26,964	336	334
PT Astra International TBK	Indonesia	Consumer Discretionary	120,986	89	74
PT Bank Central Asia TBK	Indonesia	Financials	108,463	235	307
PT Indocement Tungal Prakarsa TBK	Indonesia	Materials	22,655	44	40
PT Perusahaan Gas Negara	Indonesia	Utilities	1,194,970	238	234
PT Telekomunikasi Indonesia TBK	Indonesia	Communication Services	919,338	363	370
PTT Exploration and Production PCL	Thailand	Energy	12,105	70	63
PTT Global Chemical PCL	Thailand	Materials	20,642	48	48
PTT PCL	Thailand	Energy	73,528	148	152
Public Bank BHD	Malaysia	Financials	33,477	233	213
Punjab National Bank	India	Financials	106,626	187	123
Qualicorp SA	Brazil	Health Care	30,904	165	305
Radiant Opto-Electronics Corp.	Taiwan	Information Technology	18,091	92	91
Raia Drogasil SA	Brazil	Consumer Staples	1,796	53	55
RBL Bank Ltd.	India	Financials	10,668	77	66
Rec Ltd.	India	Financials	60,556	170	139
Reliance Industries Ltd.	India	Energy	27,787	523	691
Richter Gedeon Nyrt	Hungary	Health Care	3,205	92	69
S1 Corp.	South Korea	Industrials	1,952	227	212



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## SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
Samsung Biologics Co. Ltd.	South Korea	Health Care	134	51	46
Samsung Fire & Marine Insurance Co. Ltd.	South Korea	Financials	596	204	147
Samsung Heavy Industries Co. Ltd.	South Korea	Industrials	6,060	56	53
Samsung Life Insurance Co. Ltd.	South Korea	Financials	1,834	235	144
Sappi Ltd.	South Africa	Materials	16,457	124	54
Semiconductor Manufacturing International Corp.	China	Information Technology	47,577	80	79
Shandong Weigao Group Medical Polymer Co. Ltd. Class H	China	Health Care	160,000	167	218
Shenzhou International Group Holdings Ltd.	China	Consumer Discretionary	30,471	406	527
Shinhan Financial Group Co. Ltd.	South Korea	Financials	3,535	182	164
Shriram Transport Finance Co. Ltd.	India	Financials	2,256	48	45
Siam Cement PCL	Thailand	Materials	3,124	56	55
Siam Commercial Bank PCL	Thailand	Financials	16,561	95	85
Sibanye Gold Ltd.	South Africa	Materials	149,527	168	274
Silergy Corp.	China	Information Technology	6,766	187	222
Silicon Motion Technology Corp. ADR	Taiwan	Information Technology	4,122	258	193
Sime Darby Plantation BHD	Malaysia	Consumer Staples	117,769	185	176
Sino Biopharmaceutical Ltd.	Hong Kong	Health Care	70,001	95	118
Sinopharm Group Co. H	China	Health Care	20,135	115	83
Sinotruk Hong Kong Ltd.	China	Industrials	32,471	88	64
SK Hynix Inc.	South Korea	Information Technology	3,226	285	294
SK Telecom Co. Ltd.	South Korea	Communication Services	812	238	217
SM Investments Corp	Philippines	Industrials	2,159	55	54
SM Prime Holdings Inc.	Philippines	Real Estate	184,208	166	175
SRF Ltd.	India	Materials	864	46	44
St. Shine Optical Co. Ltd.	Taiwan	Health Care	4,557	133	86
State Bank of India	India	Financials	32,527	192	165
Sul America SA	Brazil	Financials	2,961	43	45
Sun Pharmaceutical Industries Ltd.	India	Health Care	80,614	782	587
Suzano Papel e Celulose SA	Brazil	Materials	52,973	547	568
TA Chen Stainless Pipe Inc.	Taiwan	Materials	26,331	44	39
Taiwan Cement Corp.	Taiwan	Materials	25,509	44	43
Taiwan Mobile Co. Ltd.	Taiwan	Communication Services	97,439	459	466
Taiwan Semiconductor Manufacturing Co. Ltd.	Taiwan	Information Technology	73,059	737	847
TAL Education Group	China	Consumer Discretionary	5,855	282	265
Tata Consultancy Services Ltd.	India	Information Technology	13,668	438	536
Tata Global Beverages Ltd.	India	Consumer Staples	8,926	45	46
Tata Motors Ltd.	India	Consumer Discretionary	18,299	46	40
Tatung Co. Ltd.	Taiwan	Consumer Discretionary	207,376	202	150
TAV Havalimanlari Holding AS	Turkey	Industrials	20,913	119	116
TCI Co. Ltd.	Taiwan	Consumer Staples	10,416	166	139
Tech Mahindra Ltd.	India	Information Technology	17,207	193	230
Tekfen Holding AS	Turkey	Industrials	22,776	135	102
Telefonica Brasil SA	Brazil	Communication Services	2,492	43	43
Telekom Malaysia BHD	Malaysia	Communication Services	87,282	97	99
Thai Oil PCL	Thailand	Energy	14,320	43	43
Thai Union Group PCL	Thailand	Consumer Staples	169,682	131	123
Thanachart Capital PCL	Thailand	Financials	17,820	44	44
Tingyi (Cayman Islands) Holding Corp.	China	Consumer Staples	181,105	403	338
Tisco Financial Group PCL	Thailand	Financials	17,506	76	78
Titan Co. Ltd.	India	Consumer Discretionary	5,892	91	140



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## SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2019

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES (cont'd)</b>					
TMB Bank PCL Rights Exp. 10-30-2019	Thailand	Financials	1,415,652	–	10
TMB Bank PCL	Thailand	Financials	2,044,957	195	139
Top Glove Corp. BHD	Malaysia	Health Care	136,010	217	191
Total Access Communication PCL - Foreign	Thailand	Communication Services	61,701	123	154
True Corp. PCL	Thailand	Communication Services	855,676	219	194
TRUE Telecommunication Growth Infrastructure Fund	Thailand	Information Technology	108,802	83	82
Tupras-Turkiye Petrol Rafinerileri AS	Turkey	Energy	7,771	234	261
Turk Hava Yollari AO	Turkey	Industrials	83,890	334	244
Turkiye Garanti Bankasi AS	Turkey	Financials	19,304	41	46
TVS Motor Co. Ltd.	India	Consumer Discretionary	6,639	53	52
Ultrapar Participacoes SA	Brazil	Energy	7,413	43	44
UltraTech Cement Ltd.	India	Materials	616	49	50
Unimicron Technology Corp.	Taiwan	Information Technology	123,463	154	230
Uni-President China Holdings Ltd.	China	Consumer Staples	111,039	162	159
Uni-President Enterprises Corp.	Taiwan	Consumer Staples	65,644	196	210
United Breweries Ltd.	India	Consumer Staples	4,576	97	115
United Microelectronics Corp.	Taiwan	Information Technology	181,141	116	104
United Phosphorus Ltd.	India	Materials	4,127	43	47
United Spirits Ltd.	India	Consumer Staples	24,203	269	302
Universal Robina Corp.	Philippines	Consumer Staples	38,048	140	152
VGI Global Media PCL	Thailand	Communication Services	103,337	44	44
Via Varejo SA	Brazil	Consumer Discretionary	18,794	44	47
Vodafone Idea Ltd.	India	Communication Services	1,869,085	651	215
WEG SA	Brazil	Industrials	5,789	45	45
Win Semiconductors Corp.	Taiwan	Information Technology	3,848	48	46
Wipro Ltd.	India	Information Technology	17,531	76	79
Wistron Corp.	Taiwan	Information Technology	108,578	116	116
WNS (Holdings) Ltd.	India	Information Technology	5,211	364	405
Woongjin Coway Co. Ltd.	South Korea	Consumer Discretionary	2,991	316	280
Woori Financial Group Inc. (KOR Currency)	South Korea	Financials	3,148	44	43
Xinyi Solar Holdings Ltd.	Hong Kong	Information Technology	52,136	46	41
Yandex NV	Russia	Communication Services	4,995	242	232
YDUQS Part	Brazil	Consumer Discretionary	21,054	177	240
Yes Bank Ltd.	India	Financials	209,810	513	162
Yihai International Holding Ltd.	China	Consumer Staples	5,623	45	44
Zee Entertainment Enterprises Ltd.	India	Communication Services	44,674	325	222
Zhaojin Mining Industry Co. Ltd. H	China	Materials	105,338	153	161
ZhongAn Online P & C Insurance Co. Ltd.	China	Financials	13,220	44	41
ZTO Express (Cayman) Inc.	China	Industrials	1,518	44	43
<b>Total equities</b>				<b>62,557</b>	<b>61,784</b>
Transaction costs				(68)	–
<b>Total investments</b>				<b>62,489</b>	<b>61,785</b>
Cash and cash equivalents					485
Other assets less liabilities					(323)
<b>Total net assets</b>					<b>61,947</b>



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# MACKENZIE MAXIMUM DIVERSIFICATION EMERGING MARKETS INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

STRATEGIC BETA INDEX ETF

## SUMMARY OF INVESTMENT PORTFOLIO

September 30, 2019	
Portfolio Allocation	% of NAV
Equities	99.7
Cash and short-term investments	0.8
Other assets (liabilities)	(0.5)

Regional Allocation	% of NAV
India	23.3
China	13.9
Taiwan	12.4
Brazil	10.3
South Korea	9.6
Thailand	8.5
Mexico	3.9
Malaysia	3.5
South Africa	2.7
Philippines	2.5
Other	2.4
Turkey	1.9
Greece	1.8
Indonesia	1.8
Hong Kong	1.2
Cash and short-term investments	0.8
Other assets (liabilities)	(0.5)

Sector Allocation	% of NAV
Financials	16.9
Consumer discretionary	14.0
Communication services	12.3
Information technology	11.5
Consumer staples	11.4
Health care	7.9
Materials	7.2
Industrials	7.2
Energy	5.3
Utilities	5.1
Real estate	0.9
Cash and short-term investments	0.8
Other assets (liabilities)	(0.5)

March 31, 2019	
Portfolio Allocation	% of NAV
Equities	99.7
Cash and short-term investments	0.4
Exchange-traded funds/notes	0.2
Other assets (liabilities)	(0.3)

Regional Allocation	% of NAV
India	22.7
China	14.0
South Korea	12.1
Taiwan	12.0
Brazil	9.5
Thailand	8.1
Malaysia	3.0
Mexico	2.9
Indonesia	2.8
Philippines	2.6
South Africa	2.5
Hong Kong	2.3
Other	2.3
Turkey	1.7
Greece	1.4
Cash and short-term investments	0.4
Other assets (liabilities)	(0.3)

Sector Allocation	% of NAV
Financials	15.4
Consumer discretionary	13.5
Information technology	12.0
Communication services	11.4
Consumer staples	10.9
Health care	10.8
Industrials	7.4
Materials	6.5
Energy	6.4
Utilities	4.2
Real estate	1.2
Cash and short-term investments	0.4
Exchange-traded funds/notes	0.2
Other assets (liabilities)	(0.3)



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# MACKENZIE MAXIMUM DIVERSIFICATION EMERGING MARKETS INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

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## NOTES TO FINANCIAL STATEMENTS

### 1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the six-month periods ended or as at September 30, 2019 and 2018, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 2019, as applicable. In the year an exchange-traded fund (“the ETF”) is established, ‘period’ represents the period from inception to the period end of that fiscal year. Refer to Note 10 for the formation date of the ETF.

The ETF is organized as an open-ended mutual fund trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust as amended and restated from time to time. The address of the ETF’s registered office is 180 Queen Street West, Toronto, Ontario, Canada. The ETF is authorized to issue an unlimited number of units for sale under a Prospectus. The units of the ETF are listed on the Toronto Stock Exchange/Aequitas NEO Exchange (“the Exchange”).

Mackenzie Financial Corporation (“Mackenzie”) is the manager of the ETF and is wholly owned by IGM Financial Inc., a subsidiary of Power Financial Corporation, which itself is a subsidiary of Power Corporation of Canada. Investments in companies within the Power Group of companies held by the ETF are identified in the Schedule of Investments.

### 2. Basis of Preparation and Presentation

These unaudited interim financial statements (“financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”), including international Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”). These financial statements were prepared using the same accounting policies, critical accounting judgements and estimates as applied in the Fund’s most recent audited annual financial statements for the year ended March 31, 2019. A summary of the ETF’s significant accounting policies under IFRS is presented in Note 3.

These financial statements are presented in Canadian dollars, which is the ETF’s functional and presentation currency, and rounded to the nearest thousand unless otherwise indicated. These financial statements are prepared on a going concern basis using the historical cost basis, except for financial assets and liabilities that have been measured at fair value.

These financial statements were authorized for issue by the Board of Directors of Mackenzie Financial Corporation on November 12, 2019.

### 3. Significant Accounting Policies

#### (a) Financial instruments

Financial instruments include financial assets and liabilities such as debt and equity securities, open-ended investment funds and derivatives. The ETF classifies and measures financial instruments in accordance with IFRS 9 *Financial Instruments* (“IFRS 9”). Upon initial recognition, financial instruments are classified as fair value through profit or loss (“FVTPL”). All financial instruments are recognized in the Statement of Financial Position when the ETF becomes a party to the contractual requirements of the instrument. Financial assets are derecognized when the right to receive cash flows from the instrument has expired or the ETF has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation is discharged, cancelled or expires. As such, investment purchase and sale transactions are recorded as of the trade date.

Financial instruments are subsequently measured at FVTPL with changes in fair value recognized in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net unrealized gain (loss).

The ETF’s redeemable units are held by different types of unitholders that are entitled to different redemption rights. Unitholders may redeem units of the ETF at a redemption price per unit equal to 95% of the closing price of the units on the Exchange on the effective day of the redemption, subject to a maximum redemption price of the applicable NAV per unit. These different redemption features create equally subordinate but not identical units of the ETF which therefore meet the criteria for classification as financial liabilities under IAS 32, *Financial Instruments: Presentation*. The ETF’s obligation for net assets attributable to unitholders is presented at the redemption amount. Refer to Note 7 for details of subscriptions and redemptions of the ETF’s units.

IAS 7, *Statement of Cash Flows*, requires disclosures related to changes in liabilities and assets, such as the units of the ETF, arising from financing activities. Changes in units of the ETF, including both changes from cash flows and non-cash changes, are included in the Statement of Changes in Financial Position. Any changes in the units not settled in cash as at the end of the period are presented as either Accounts receivable for units issued or Accounts payable for units redeemed in the Statement of Financial Position. These accounts receivable and accounts payable amounts typically settle shortly after period-end.

Realized and unrealized gains and losses on investments are calculated based on the weighted average cost of investments and exclude commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income – Commissions and other portfolio transaction costs.



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# MACKENZIE MAXIMUM DIVERSIFICATION EMERGING MARKETS INDEX ETF

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## NOTES TO FINANCIAL STATEMENTS

### 3. Significant Accounting Policies (cont'd)

#### (a) Financial instruments (cont'd)

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 unlisted open-ended investment funds and exchange-traded funds, if any, at FVTPL. Mackenzie has concluded that any unlisted open-ended investment fund and exchange-traded funds in which the ETF invests, does not meet either the definition of a structured entity or the definition of an associate.

#### (b) Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investments listed on a public securities exchange or traded on an over-the-counter market are valued on the basis of the last traded market price or close price recorded by the security exchange on which the security is principally traded, where this price falls within the quoted bid-ask spread for the investment. In circumstances where this price is not within the bid-ask spread, Mackenzie determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. Mutual fund securities of an underlying fund are valued on a business day at the price calculated by the manager of such underlying fund in accordance with the constating documents of such underlying fund. Unlisted or non-exchange traded investments, or investments where a last sale or close price is unavailable or investments for which market quotations are, in Mackenzie's opinion, inaccurate, unreliable, or not reflective of all available material information, are valued at their fair value as determined by Mackenzie using appropriate and accepted industry valuation techniques including valuation models. The fair value determined using valuation models requires the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices. In limited circumstances, the fair value may be determined using valuation techniques that are not supported by observable market data.

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

Cash and cash equivalents which includes cash on deposit with financial institutions and short-term investments that are readily convertible to cash, are subject to an insignificant risk of changes in value, and are used by the ETF in the management of short-term commitments. Cash and cash equivalents are reported at fair value which closely approximates their amortized cost due to their nature of being highly liquid and having short terms to maturity. Bank overdraft positions are presented under current liabilities as bank indebtedness in the Statement of Financial Position.

The ETF may use derivatives (such as written options, futures, forward contracts, swaps or customized derivatives) to hedge against losses caused by changes in securities prices, interest rates or exchange rates. The ETF may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, to gain exposure to other currencies, to seek to generate additional income, and/or for any other purpose considered appropriate by the ETF's portfolio manager(s), provided that the use of the derivative is consistent with the ETF's investment objectives. Any use of derivatives will comply with Canadian mutual fund laws, subject to the regulatory exemptions granted to the ETF, as applicable.

Valuations of derivative instruments are carried out daily, using normal exchange reporting sources for exchange-traded derivatives and specific broker enquiry for over-the-counter derivatives.

The value of forward contracts is the gain or loss that would be realized if, on the valuation date, the positions were to be closed out. The change in value of forward contracts is included in the Statement of Comprehensive Income – Other changes in fair value of investments 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 unrealized gains or losses on a "mark to market" basis. These unrealized gains or losses are recorded and reported as such until the ETF closes out the contract or the contract expires. Margin paid or deposited in respect of futures contracts or swaps is reflected as a receivable in the Statement of Financial Position – Margin on derivatives. Any change in the variation margin requirement is settled daily.

Premiums received from writing options are included in the Statement of Financial Position as a liability and subsequently adjusted daily to fair value. If a written option expires unexercised, the premium received is recognized as a realized gain. If a written call option is exercised, the difference between the proceeds of the sale plus the value of the premium, and the cost of the security is recognized as a realized gain or loss. If a written put option is exercised, the cost of the security acquired is the exercise price of the option less the premium received.

Refer to the Schedule of Derivative Instruments and Schedule of Options Purchased/Written, as applicable, included in the Schedule of Investments for a listing of derivative and options positions as at September 30, 2019.



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# MACKENZIE MAXIMUM DIVERSIFICATION EMERGING MARKETS INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2019

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## NOTES TO FINANCIAL STATEMENTS

### 3. Significant Accounting Policies (cont'd)

#### (c) Income recognition

Interest income from interest bearing investments is recognized using the effective interest method. Dividends are accrued as of the ex-dividend date. Realized gains or losses on the sale of investments, including foreign exchange gains or losses on such investments, are calculated on an average cost basis. Distributions received from an underlying fund are included in interest income, dividend income or realized gains (losses) on sale of investments, as appropriate.

#### (d) Commissions and other portfolio transaction costs

Commissions and other portfolio transaction costs are costs incurred to acquire, issue or dispose of financial assets or liabilities. They include fees and commissions paid to agents, advisers, brokers and dealers. Commissions may be paid to brokerage firms which provide (or pay for) certain services, other than order execution, which may include investment research, analysis and reports, and databases or software in support of these services. Where applicable and ascertainable, the value of third-party services that were paid for by brokers during the periods is disclosed in Note 10. The value of certain proprietary services provided by brokers cannot be reasonably estimated. Mackenzie may reimburse the ETF for certain commissions and other portfolio transaction costs. Mackenzie may make these reimbursements at its discretion and stop these reimbursements at any time without notice. Any such reimbursements are included in 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. Securities lending transactions are administered by Canadian Imperial Bank of Commerce (the "Securities Lending Agent"). The value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions is included in the Statement of Comprehensive Income – Securities lending income and recognized when earned.

Note 10 summarizes the details of securities loaned and collateral received, as well as a reconciliation of securities lending income, if applicable.

#### (f) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the ETF enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statement of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. Note 10 summarizes the details of such offsetting, if applicable.

Income and expenses are not offset in the Statement of Comprehensive Income unless required or permitted to by an accounting standard, as specifically disclosed in the IFRS policies of the ETF.

#### (g) Foreign currency

The functional and presentation currency of the ETF is Canadian dollars. Foreign currency purchases and sales of investments and foreign currency dividend and interest income and expenses are translated to Canadian dollars at the rate of exchange prevailing at the time of the transactions.

Foreign exchange gains (losses) on purchases and sales of foreign currencies are included in the Statement of Comprehensive Income – 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. Refer to Note 10 for the ETF's NAV per unit.

#### (j) Increase (decrease) in net assets attributable to unitholders from operations per unit

Increase (decrease) in net assets attributable to unitholders from operations per unit in the Statement of Comprehensive Income represents the increase (decrease) in net assets attributable to unitholders from operations for the period, divided by the weighted average number of units outstanding during the period.



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## NOTES TO FINANCIAL STATEMENTS

### 4. Critical Accounting Estimates and Judgments

The preparation of these financial statements requires management to make estimates and assumptions that primarily affect the valuation of investments. Estimates and assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates.

#### Use of Estimates

##### *Fair value of securities not quoted in an active market*

The ETF may hold financial instruments that are not quoted in active markets and are valued using valuation techniques that make use of observable data, to the extent practicable. Various valuation techniques are utilized, depending on a number of factors, including comparison with similar instruments for which observable market prices exist and recent arm's length market transactions. Key inputs and assumptions used are company specific and may include estimated discount rates and expected price volatilities. Changes in key inputs, could affect the reported fair value of these financial instruments held by the ETF.

#### Use of Judgments

##### *Classification and measurement of investments and application of the fair value option*

In classifying and measuring financial instruments held by the ETF, Mackenzie is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9. Mackenzie has assessed the ETF's business model, the manner in which all financial instruments are managed and performance evaluated as a group on a fair value basis, and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the ETF's financial instruments.

##### *Functional currency*

The ETF's functional and presentation currency is the Canadian dollar, which is the currency considered to best represent the economic effects of the ETF's underlying transactions, events and conditions taking into consideration the manner in which units are issued and redeemed and how returns and performance by the ETF are measured.

##### *Structured entities and associates*

In determining whether an unlisted open-ended investment fund or an exchange-traded fund in which the ETF invests, but that it does not consolidate, meets the definitions of either a structured entity or of an associate, Mackenzie is required to make significant judgments about whether these underlying funds have the typical characteristics of a structured entity or of an associate. Mackenzie has assessed the characteristics of these underlying funds and has concluded that they do not meet the definition of either a structured entity or of an associate because the ETF does not have contracts or financing arrangements with these underlying funds and the ETF does not have an ability to influence the activities of these underlying funds or the returns it receives from investing in these underlying funds.

### 5. Income Taxes

The ETF qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains in the taxation year, which is not paid or payable to its unitholders as at the end of the taxation year. It is the intention of the ETF to distribute all of its net income and sufficient net realized capital gains so that the ETF will not be subject to income taxes other than foreign withholding taxes, if applicable.

Losses of the ETF cannot be allocated to investors and are retained in the ETF for use in future years. Non-capital losses may be carried forward up to 20 years to reduce taxable income and realized capital gains of future years. Capital losses may be carried forward indefinitely to reduce future realized capital gains. Refer to Note 10 for the ETF's loss carryforwards.

### 6. Management Fees and Operating Expenses

Mackenzie is paid a management fee for managing the investment portfolio, providing investment analysis and recommendations, making investment decisions and making brokerage arrangements relating to the purchase and sale of the investment portfolio. The management fee is calculated as a fixed annual percentage of the daily net asset value of the units of the ETF.

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



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## NOTES TO FINANCIAL STATEMENTS

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

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

### 7. Units and Unit Transactions

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

The number of units issued/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 September 30, 2019 and 2018 and units issued, reinvested and redeemed for the periods are presented in the Statement of Changes in Financial Position. Mackenzie manages the capital of the ETF in accordance with the investment objectives as discussed in Note 10.

### 9. Financial Instruments Risk

#### i. Risk exposure and management

The ETF's investment activities expose it to a variety of financial risks, as defined in IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7"). The ETF's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, as at September 30, 2019, grouped by asset type, with geographic and sector information.

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

#### ii. Liquidity risk

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

In accordance with securities regulations, the ETF must maintain at least 90% of its assets in liquid investments (i.e., investments that can be readily sold).

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

#### iii. Currency risk

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

#### iv. Interest rate risk

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

#### v. Other price risk

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

#### vi. Credit risk

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

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

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

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

#### vii. Underlying ETFs

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



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## NOTES TO FINANCIAL STATEMENTS

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

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

Date of Formation June 3, 2016

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

Series E units were listed on the TSX under the symbol MEE on January 23, 2017. The closing market price, or the midpoint of the bid and ask prices in the absence of a closing market price, at September 30, 2019 was \$23.04 (March 31, 2019 – \$24.13).

The management fee rate for Series E units is 0.50%.

As at September 30, 2019, there were no differences between the ETF's NAV per unit (March 31, 2019 – \$23.94) and its Net Assets per unit calculated in accordance with IFRS (March 31, 2019 – \$23.90).

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

As at September 30, 2019, other funds managed by Mackenzie had an investment of \$11,453 (March 31, 2019 – \$14,235) in the ETF.

#### (c) Loss Carryforwards

As at the last taxation year-end, there were no capital and non-capital losses available to carry forward for tax purposes.

#### (d) Securities Lending

The value of securities loaned and collateral received from securities lending at September 30, 2019 and March 31, 2019, were as follows:

	September 30, 2019	March 31, 2019
	(\$)	(\$)
Value of securities loaned	804	1,976
Value of collateral received	858	2,085

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

A reconciliation of the gross amount generated from the securities lending transactions to the security lending income to the ETF for the periods ended September 30, 2019 and 2018 is as follows:

	2019		2018	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	10	100.0	31	100.0
Tax withheld	–	–	–	–
	10	100.0	31	100.0
Payments to Securities Lending Agent	(2)	(20.0)	(8)	(25.8)
Securities lending income	8	80.0	23	74.2

#### (e) Offsetting of Financial Assets and Liabilities

As at September 30, 2019 and March 31, 2019, there were no amounts subject to offsetting.



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# MACKENZIE MAXIMUM DIVERSIFICATION EMERGING MARKETS INDEX ETF

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## NOTES TO FINANCIAL STATEMENTS

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

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

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

The ETF seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the TOBAM Maximum Diversification Emerging Index, or any successor thereto. It invests primarily in equity securities of emerging markets. The TOBAM Maximum Diversification Emerging Index is designed to measure the performance of large and mid-capitalization equity securities of advanced and secondary emerging markets selected and weighted in order to enhance diversification.

##### *ii. Currency risk*

The table below indicates currencies to which the ETF had significant exposure as at period end in Canadian dollar terms, including the underlying principal amount of any derivative instruments. Other financial assets and liabilities (including accrued interest and dividends receivable, and receivables/payables for investments sold/purchased) that are denominated in foreign currencies do not expose the ETF to significant currency risk.

Currency	September 30, 2019			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
Indian rupee	14,087	–	–	14,087
Hong Kong dollar	8,192	4	–	8,196
Taiwanese dollar	7,716	220	–	7,936
Brazilian real	6,374	5	–	6,379
South Korean won	5,940	1	–	5,941
Thai baht	5,295	5	–	5,300
Mexican peso	2,397	–	–	2,397
Malaysian ringgit	2,160	2	–	2,162
U.S. dollar	1,847	9	–	1,856
South African rand	1,735	–	–	1,735
Philippine peso	1,565	–	–	1,565
Turkish lira	1,148	–	–	1,148
Euro	1,133	–	–	1,133
Indonesian rupiah	1,124	–	–	1,124
Polish zloty	357	358	–	715
Hungarian forint	361	8	–	369
British pound	227	–	–	227
Columbian peso	127	(128)	–	(1)
Total	61,785	484	–	62,269
% of Net Assets	99.7	0.8	–	100.5



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## NOTES TO FINANCIAL STATEMENTS

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

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

ii. Currency risk (cont'd)

Currency	March 31, 2019			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
Indian rupee	25,470	–	–	25,470
Hong Kong dollar	17,863	–	–	17,863
South Korean won	13,937	–	–	13,937
Taiwanese dollar	13,617	–	–	13,617
Brazilian real	10,894	6	–	10,900
Thai baht	9,293	–	–	9,293
Malaysian ringgit	3,467	6	–	3,473
Mexican peso	3,339	–	–	3,339
Indonesian rupiah	3,263	–	–	3,263
Philippine peso	3,013	3	–	3,016
South African rand	2,902	–	–	2,902
U.S. dollar	2,600	41	–	2,641
Turkish lira	1,928	–	–	1,928
Euro	1,631	–	–	1,631
Hungarian forint	958	–	–	958
British pound	480	–	–	480
Total	114,655	56	–	114,711
% of Net Assets	99.9	–	–	99.9

\* Includes both monetary and non-monetary financial instruments

As at September 30, 2019, had the Canadian dollar increased or decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$3,113 or 5.0% of total net assets (March 31, 2019 – \$5,736 or 5.0%). In practice, the actual trading results may differ and the difference could be material.

iii. Interest rate risk

As at September 30, 2019 and March 31, 2019, the ETF did not have a significant exposure to interest rate risk.

iv. Other price risk

The ETF's most significant exposure to price risk arises from its investment in equity securities and exchange-traded funds/notes. As at September 30, 2019, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased by approximately \$6,178 or 10.0% of total net assets (March 31, 2019 – \$11,466 or 10.0%). In practice, the actual trading results may differ and the difference could be material.

v. Credit risk

As at September 30, 2019 and March 31, 2019, the ETF did not have a significant exposure to credit risk.



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# MACKENZIE MAXIMUM DIVERSIFICATION EMERGING MARKETS INDEX ETF

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## NOTES TO FINANCIAL STATEMENTS

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

#### (g) Fair Value Classification

The table below summarizes the fair value of the ETF's financial instruments using the following fair value hierarchy:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The inputs are considered observable if they are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumption that market participants would use when pricing the asset or liability.

	September 30, 2019				March 31, 2019			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	1	–	1	–	–	–	–
Equities	61,287	497	–	61,784	113,657	714	–	114,371
Exchange-traded funds/notes	–	–	–	–	284	–	–	284
Total	61,287	498	–	61,785	113,941	714	–	114,655

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.

Financial instruments classified as Level 2 investments are valued through incorporating observable market data and using standard market convention prices.

For the period ended September 30, 2019, equities with a fair value of \$Nil (March 31, 2019 – \$6,784) were transferred from Level 2 to Level 1 as a result of changes in the inputs used for valuation.



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