

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

Interim Unaudited Financial Statements

For the Six-Month Period Ended September 30, 2023

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 or by visiting the SEDAR+ website at www.sedarplus.ca. 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 Mackenzie Emerging Markets Local Currency Bond Index ETF (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
Investments

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

STATEMENTS OF FINANCIAL POSITION

at (in \$ 000 except per unit amounts)

	Sep. 30 2023	Mar. 31 2023 (Audited)
	\$	\$
ASSETS		
Current assets		
Investments at fair value	460,275	424,159
Cash and cash equivalents	–	7,456
Accrued interest receivable	6,167	6,016
Dividends receivable	–	–
Accounts receivable for investments sold	1,243	–
Accounts receivable for units issued	–	–
Due from manager	39	1
Margin on derivatives	12	11
Derivative assets	333	305
Total assets	468,069	437,948
LIABILITIES		
Current liabilities		
Bank indebtedness	651	–
Accounts payable for investments purchased	658	–
Accounts payable for units redeemed	–	–
Distribution payable	2,880	–
Due to manager	202	181
Derivative liabilities	443	265
Total liabilities	4,834	446
Net assets attributable to unitholders	463,235	437,502

STATEMENTS OF COMPREHENSIVE INCOME

for the periods ended September 30 (in \$ 000 except per unit amounts)

	2023 \$	2022 \$
Income		
Interest income for distribution purposes	13,064	17,456
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(1,965)	(10,646)
Net unrealized gain (loss)	(15,782)	(35,583)
Other	217	45
Total income (loss)	(4,466)	(28,728)
Expenses (note 6)		
Management fees	1,158	1,590
Management fee rebates	(1,076)	(1,596)
Interest charges	101	66
Commissions and other portfolio transaction costs	17	9
Independent Review Committee fees	1	1
Expenses before amounts absorbed by Manager	201	70
Expenses absorbed by Manager	–	–
Net expenses	201	70
Increase (decrease) in net assets attributable to unitholders from operations before tax	(4,667)	(28,798)
Foreign withholding tax expense (recovery)	–	2
Foreign income tax expense (recovery)	–	–
Increase (decrease) in net assets attributable to unitholders from operations	(4,667)	(28,800)

Net assets attributable to unitholders (note 3)

	per unit		per series	
	Sep. 30 2023	Mar. 31 2023 (Audited)	Sep. 30 2023	Mar. 31 2023 (Audited)
CAD Units	77.21	81.02	463,235	437,502

Increase (decrease) in net assets attributable to unitholders from operations (note 3)

	per unit		per series	
	2023	2022	2023	2022
CAD Units	(0.79)	(3.36)	(4,667)	(28,800)

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

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

STATEMENTS OF CHANGES IN FINANCIAL POSITION

for the periods ended September 30 (in \$ 000 except per unit amounts)

	CAD Units	
	2023	2022
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		
Beginning of period	437,502	673,296
Increase (decrease) in net assets from operations	(4,667)	(28,800)
Distributions paid to unitholders:		
Investment income	(17,258)	(14,539)
Capital gains	–	–
Management fee rebates	(1,076)	(1,596)
Total distributions paid to unitholders	(18,334)	(16,135)
Unit transactions:		
Proceeds from units issued	48,734	11,309
Reinvested distributions	–	–
Payments on redemption of units	–	–
Total unit transactions	48,734	11,309
Increase (decrease) in net assets attributable to unitholders	25,733	(33,626)
End of period	463,235	639,670
Increase (decrease) in units (in thousands) (note 7):		
Units outstanding – beginning of period	5,400	8,500
Issued	600	150
Reinvested distributions	–	–
Redeemed	–	–
Units outstanding – end of period	6,000	8,650

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MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

STATEMENTS OF CASH FLOWS

for the periods ended September 30 (in \$ 000)

	2023	2022
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to unitholders from operations	(4,667)	(28,800)
Adjustments for:		
Net realized loss (gain) on investments	1,892	9,183
Change in net unrealized loss (gain) on investments	15,782	35,583
Purchase of investments	(162,438)	(134,050)
Proceeds from sale and maturity of investments	108,083	129,533
(Increase) decrease in accounts receivable and other assets	(190)	(448)
Increase (decrease) in accounts payable and other liabilities	21	(25)
Net cash provided by (used in) operating activities	(41,517)	10,976
Cash flows from financing activities		
Proceeds from units issued	48,734	11,309
Payments on redemption of units	–	–
Distributions paid net of reinvestments	(15,454)	(16,135)
Net cash provided by (used in) financing activities	33,280	(4,826)
Net increase (decrease) in cash and cash equivalents	(8,237)	6,150
Cash and cash equivalents at beginning of period	7,456	10,984
Effect of exchange rate fluctuations on cash and cash equivalents	130	465
Cash and cash equivalents at end of period	(651)	17,599
Cash	–	17,599
Cash equivalents	–	–
Bank indebtedness	(651)	–
Cash and cash equivalents at end of period	(651)	17,599
Supplementary disclosures on cash flow from operating activities:		
Dividends received	–	–
Foreign taxes paid	–	2
Interest received	12,969	17,008
Interest paid	101	66

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MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

SCHEDULE OF INVESTMENTS

as at September 30, 2023

	Country	Sector	Par Value/ Number of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
BONDS					
Asian Development Bank 12.75% 03-03-2025	Supra - National	n/a	COP 5,500,000,000	1,649	1,833
Asian Development Bank 6.30% 12-13-2028	Supra - National	n/a	IDR 680,000,000	56	60
Asian Development Bank 7.80% 03-15-2034	Supra - National	n/a	IDR 13,740,000,000	1,254	1,343
The Asian Infrastructure Investment Bank 4.50% 11-03-2023	Supra - National	n/a	MXN 50,000,000	3,022	3,871
The Asian Infrastructure Investment Bank 2.75% 03-12-2024	Supra - National	n/a	PHP 25,000,000	553	590
China Development Bank 2.59% 03-17-2025	China	Foreign Governments	CNY 5,000,000	977	931
China Development Bank 2.89% 06-22-2025	China	Foreign Governments	CNY 20,000,000	3,977	3,744
China Development Bank 3.23% 11-27-2025	China	Foreign Governments	CNY 8,950,000	1,690	1,684
China Development Bank 3.30% 03-03-2026	China	Foreign Governments	CNY 2,000,000	412	379
China Development Bank 2.83% 09-10-2026	China	Foreign Governments	CNY 3,000,000	578	563
China Development Bank 2.65% 02-24-2027	China	Foreign Governments	CNY 10,000,000	1,953	1,866
China Development Bank 3.45% 09-20-2029	China	Foreign Governments	CNY 1,000,000	205	193
China Development Bank 3.70% 10-20-2030	China	Foreign Governments	CNY 5,000,000	991	984
China Development Bank 3.41% 06-07-2031	China	Foreign Governments	CNY 5,000,000	1,000	963
Corporacion Andina de Fomento 8.50% 03-08-2028	Supra - National	n/a	MXN 10,000,000	648	698
The European Bank for Reconstruction and Development 18.50% 10-02-2023	Supra - National	n/a	TRL 440,000	88	22
The European Bank for Reconstruction and Development 2.00% 02-05-2024	Supra - National	n/a	PHP 215,000,000	5,437	5,089
The European Bank for Reconstruction and Development 16.50% 06-18-2024	Supra - National	n/a	TRL 3,000,000	362	124
The European Bank for Reconstruction and Development 0.84% 06-26-2024	Supra - National	n/a	HUF 151,000,000	400	520
The European Bank for Reconstruction and Development 5.60% 01-30-2025	Supra - National	n/a	IDR 5,000,000,000	448	436
The European Bank for Reconstruction and Development 5.08% 12-15-2025	Supra - National	n/a	MXN 50,000,000	3,017	3,431
European Bank for Reconstruction and Development F/R 04-14-2026	Supra - National	n/a	USD 1,000,000	1,361	1,357
The European Bank for Reconstruction and Development 0% 10-29-2026	Supra - National	n/a	MXN 28,100,000	1,406	1,540
The European Bank for Reconstruction and Development 5.13% 05-01-2027	United Kingdom	Corporate - Non Convertible	IDR 100,000,000,000	8,013	8,454
European Investment Bank 7.75% 01-30-2025	Supra - National	n/a	MXN 25,000,000	1,699	1,854
Export-Import Bank of Korea 8.00% 05-15-2024	South Korea	Foreign Governments	IDR 30,000,000,000	2,712	2,651
Export-Import Bank of Korea 7.25% 12-07-2024	South Korea	Foreign Governments	IDR 11,300,000,000	1,024	1,001
Export-Import Bank of Korea 6.50% 03-07-2025	South Korea	Foreign Governments	IDR 15,100,000,000	1,387	1,326
Export-Import Bank of Korea 3.70% 03-23-2026	South Korea	Foreign Governments	PHP 93,000,000	2,181	2,105
Export-Import Bank of Korea 7.93% 07-30-2026	South Korea	Foreign Governments	MXN 12,070,000	785	856
The Goldman Sachs Group Inc. F/R 11-29-2023	United States	Corporate - Non Convertible	USD 2,500,000	3,402	3,402
Government of Brazil 10.00% 01-01-2025	Brazil	Foreign Governments	BRL 14,000,000	3,956	3,840
Government of Brazil 10.00% 01-01-2027	Brazil	Foreign Governments	BRL 15,000,000	3,853	4,063
Government of Brazil 10.00% 01-01-2029	Brazil	Foreign Governments	BRL 20,000,000	4,914	5,271
Government of Brazil 10.00% 01-01-2031	Brazil	Foreign Governments	BRL 11,000,000	2,712	2,842
Government of Brazil 10.00% 01-01-2033	Brazil	Foreign Governments	BRL 13,000,000	2,886	3,296
Government of Chile 2.50% 03-01-2025	Chile	Foreign Governments	CLP 1,025,000,000	1,689	1,483
Government of Chile 4.50% 03-01-2026	Chile	Foreign Governments	CLP 640,000,000	1,168	936
Government of Chile 2.30% 10-01-2028	Chile	Foreign Governments	CLP 1,215,000,000	1,725	1,567
Government of Chile 4.70% 09-01-2030	Chile	Foreign Governments	CLP 440,000,000	828	617
Government of Chile 2.80% 10-01-2033	Chile	Foreign Governments	CLP 1,515,000,000	1,871	1,781
Government of Chile 5.00% 03-01-2035	Chile	Foreign Governments	CLP 55,000,000	118	78
Government of Chile 5.30% 11-01-2037 144A	Chile	Foreign Governments	CLP 245,000,000	373	357
Government of Chile 6.00% 01-01-2043	Chile	Foreign Governments	CLP 750,000,000	1,518	1,168
Government of Chile 5.10% 07-15-2050	Chile	Foreign Governments	CLP 340,000,000	594	467
Government of China 3.02% 10-22-2025	China	Foreign Governments	CNY 9,000,000	1,765	1,698
Government of China 3.03% 03-11-2026	China	Foreign Governments	CNY 22,000,000	4,318	4,161
Government of China 2.62% 04-15-2028	China	Foreign Governments	CNY 2,000,000	368	373
Government of China 3.01% 05-13-2028	China	Foreign Governments	CNY 31,000,000	6,055	5,881
Government of China 2.62% 09-25-2029	China	Foreign Governments	CNY 10,000,000	1,850	1,853
Government of China 2.79% 12-15-2029	China	Foreign Governments	CNY 2,000,000	392	374
Government of China 2.77% 06-24-2030	China	Foreign Governments	CNY 4,000,000	786	747
Government of China 3.27% 11-19-2030	China	Foreign Governments	CNY 8,000,000	1,597	1,552

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

SCHEDULE OF INVESTMENTS (cont'd)

as at September 30, 2023

	Country	Sector	Par Value/ Number of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
BONDS (cont'd)					
Government of China 3.02% 05-27-2031	China	Foreign Governments	CNY 7,000,000	1,390	1,331
Government of China 2.75% 02-17-2032	China	Foreign Governments	CNY 8,000,000	1,519	1,488
Government of China 2.69% 08-15-2032	China	Foreign Governments	CNY 5,000,000	925	925
Government of China 2.60% 09-01-2032	China	Foreign Governments	CNY 3,000,000	571	551
Government of China 2.80% 11-15-2032	China	Foreign Governments	CNY 5,000,000	979	934
Government of China 2.88% 02-25-2033	China	Foreign Governments	CNY 2,000,000	371	377
Government of China 3.96% 08-16-2040	China	Foreign Governments	CNY 1,000,000	220	213
Government of China 4.50% 06-23-2041	China	Foreign Governments	CNY 6,000,000	1,405	1,383
Government of China 3.52% 04-25-2046	China	Foreign Governments	CNY 3,000,000	590	603
Government of China 3.39% 03-16-2050	China	Foreign Governments	CNY 4,000,000	768	785
Government of China 3.81% 09-14-2050	China	Foreign Governments	CNY 16,000,000	3,294	3,373
Government of China 3.53% 10-18-2051	China	Foreign Governments	CNY 10,000,000	1,976	2,018
Government of China 3.32% 04-15-2052	China	Foreign Governments	CNY 6,000,000	1,190	1,171
Government of China 3.76% 03-22-2071	China	Foreign Governments	CNY 4,000,000	812	869
Government of China 3.40% 07-15-2072	China	Foreign Governments	CNY 1,000,000	193	200
Government of Colombia 7.50% 08-26-2026	Colombia	Foreign Governments	COP 5,477,000,000	2,039	1,678
Government of Colombia 5.75% 11-03-2027	Colombia	Foreign Governments	COP 3,540,800,000	1,049	982
Government of Colombia 6.00% 04-28-2028	Colombia	Foreign Governments	COP 6,718,600,000	2,214	1,846
Government of Colombia 7.75% 09-18-2030	Colombia	Foreign Governments	COP 4,842,200,000	1,531	1,347
Government of Colombia 7.00% 03-26-2031	Colombia	Foreign Governments	COP 5,697,000,000	1,422	1,488
Government of Colombia 7.00% 06-30-2032	Colombia	Foreign Governments	COP 5,930,100,000	1,846	1,490
Government of Colombia 13.25% 02-09-2033	Colombia	Foreign Governments	COP 713,200,000	267	257
Government of Colombia 7.25% 10-18-2034	Colombia	Foreign Governments	COP 4,687,000,000	1,465	1,136
Government of Colombia 6.25% 07-09-2036	Colombia	Foreign Governments	COP 5,788,200,000	1,312	1,239
Government of Colombia 9.25% 05-28-2042	Colombia	Foreign Governments	COP 4,191,500,000	1,046	1,110
Government of Colombia 7.25% 10-26-2050	Colombia	Foreign Governments	COP 4,596,200,000	1,124	961
Government of Czech Republic 0% 12-12-2024	Czech Republic	Foreign Governments	CZK 52,910,000	2,915	2,938
Government of Czech Republic 6.00% 02-26-2026	Czech Republic	Foreign Governments	CZK 8,990,000	509	546
Government of Czech Republic 0.25% 02-10-2027	Czech Republic	Foreign Governments	CZK 111,140,000	5,805	5,630
Government of Czech Republic 5.50% 12-12-2028	Czech Republic	Foreign Governments	CZK 16,650,000	1,098	1,017
Government of Czech Republic 0.05% 11-29-2029	Czech Republic	Foreign Governments	CZK 82,450,000	3,985	3,667
Government of Czech Republic 5.00% 09-30-2030	Czech Republic	Foreign Governments	CZK 12,570,000	812	752
Government of Czech Republic 1.20% 03-13-2031	Czech Republic	Foreign Governments	CZK 15,270,000	818	703
Government of Czech Republic 1.75% 06-23-2032	Czech Republic	Foreign Governments	CZK 82,520,000	3,686	3,854
Government of Czech Republic 4.90% 04-14-2034	Czech Republic	Foreign Governments	CZK 16,820,000	1,082	1,001
Government of Czech Republic 3.50% 05-30-2035	Czech Republic	Foreign Governments	CZK 8,170,000	466	428
Government of Czech Republic 1.95% 07-30-2037	Czech Republic	Foreign Governments	CZK 23,460,000	974	994
Government of Czech Republic 1.50% 04-24-2040	Czech Republic	Foreign Governments	CZK 10,980,000	529	405
Government of Hungary 5.50% 06-24-2025	Hungary	Foreign Governments	HUF 284,400,000	1,324	1,001
Government of Hungary 1.00% 11-26-2025	Hungary	Foreign Governments	HUF 295,980,000	999	945
Government of Hungary 1.50% 04-22-2026	Hungary	Foreign Governments	HUF 375,940,000	1,559	1,187
Government of Hungary 1.50% 08-26-2026	Hungary	Foreign Governments	HUF 171,210,000	525	529
Government of Hungary 2.75% 12-22-2026	Hungary	Foreign Governments	HUF 95,780,000	299	302
Government of Hungary 3.00% 10-27-2027	Hungary	Foreign Governments	HUF 143,860,000	550	447
Government of Hungary 4.50% 03-23-2028	Hungary	Foreign Governments	HUF 212,780,000	581	695
Government of Hungary 6.75% 10-22-2028	Hungary	Foreign Governments	HUF 364,590,000	1,931	1,302
Government of Hungary 2.00% 05-23-2029	Hungary	Foreign Governments	HUF 7,410,000	22	21
Government of Hungary 3.00% 08-21-2030	Hungary	Foreign Governments	HUF 439,940,000	1,778	1,256
Government of Hungary 3.25% 10-22-2031	Hungary	Foreign Governments	HUF 114,580,000	492	323
Government of Hungary 4.75% 11-24-2032	Hungary	Foreign Governments	HUF 134,600,000	370	412
Government of Hungary 2.25% 04-20-2033	Hungary	Foreign Governments	HUF 195,810,000	506	487
Government of Hungary 2.25% 06-22-2034	Hungary	Foreign Governments	HUF 206,410,000	632	491
Government of Hungary 3.00% 10-27-2038	Hungary	Foreign Governments	HUF 308,700,000	942	700
Government of Hungary 3.00% 04-25-2041	Hungary	Foreign Governments	HUF 17,100,000	55	37
Government of Indonesia 6.13% 05-15-2028 FR64	Indonesia	Foreign Governments	IDR 51,859,000,000	4,560	4,498
Government of Indonesia 6.50% 02-15-2031	Indonesia	Foreign Governments	IDR 67,762,000,000	6,024	5,848
Government of Indonesia 6.38% 04-15-2032	Indonesia	Foreign Governments	IDR 25,075,000,000	2,085	2,152
Government of Indonesia 7.50% 08-15-2032	Indonesia	Foreign Governments	IDR 10,846,000,000	984	994
Government of Indonesia 6.63% 05-15-2033	Indonesia	Foreign Governments	IDR 76,647,000,000	6,768	6,668
Government of Indonesia 7.50% 06-15-2035	Indonesia	Foreign Governments	IDR 21,183,000,000	1,933	1,953
Government of Indonesia 7.50% 05-15-2038	Indonesia	Foreign Governments	IDR 12,182,000,000	1,088	1,124
Government of Indonesia 7.50% 04-15-2040	Indonesia	Foreign Governments	IDR 3,750,000,000	343	345
Government of Indonesia 8.75% 02-15-2044	Indonesia	Foreign Governments	IDR 53,688,000,000	5,518	5,683
Government of Indonesia 7.38% 05-15-2048	Indonesia	Foreign Governments	IDR 10,671,000,000	977	985

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

SCHEDULE OF INVESTMENTS (cont'd)

as at September 30, 2023

	Country	Sector	Par Value/ Number of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
BONDS (cont'd)					
Government of Indonesia 6.88% 08-15-2051	Indonesia	Foreign Governments	IDR 9,057,000,000	762	787
Government of Korea 1.88% 03-10-2024	South Korea	Foreign Governments	KOR 450,180,000	541	450
Government of Korea 1.38% 09-10-2024	South Korea	Foreign Governments	KOR 3,606,100,000	3,446	3,554
Government of Korea 1.50% 03-10-2025	South Korea	Foreign Governments	KOR 4,882,570,000	5,094	4,762
Government of Korea 1.13% 09-10-2025	South Korea	Foreign Governments	KOR 1,543,710,000	1,490	1,475
Government of Korea 1.50% 12-10-2026	South Korea	Foreign Governments	KOR 8,252,390,000	8,374	7,719
Government of Korea 2.38% 12-10-2027	South Korea	Foreign Governments	KOR 1,699,990,000	1,651	1,611
Government of Korea 2.63% 06-10-2028	South Korea	Foreign Governments	KOR 226,410,000	224	215
Government of Korea 1.88% 06-10-2029	South Korea	Foreign Governments	KOR 2,848,310,000	2,968	2,568
Government of Korea 1.38% 12-10-2029	South Korea	Foreign Governments	KOR 2,214,800,000	2,213	1,920
Government of Korea 1.38% 06-10-2030	South Korea	Foreign Governments	KOR 440,700,000	489	377
Government of Korea 1.50% 12-10-2030	South Korea	Foreign Governments	KOR 4,544,470,000	4,057	3,880
Government of Korea 2.00% 06-10-2031	South Korea	Foreign Governments	KOR 459,520,000	421	403
Government of Korea 3.38% 06-10-2032	South Korea	Foreign Governments	KOR 339,000,000	323	326
Government of Korea 1.50% 09-10-2036	South Korea	Foreign Governments	KOR 4,079,680,000	3,844	3,064
Government of Korea 1.13% 09-10-2039	South Korea	Foreign Governments	KOR 4,988,300,000	4,292	3,333
Government of Korea 1.50% 09-10-2040	South Korea	Foreign Governments	KOR 1,438,100,000	1,011	1,008
Government of Korea 1.88% 09-10-2041	South Korea	Foreign Governments	KOR 254,940,000	203	188
Government of Korea 1.50% 03-10-2050	South Korea	Foreign Governments	KOR 11,175,300,000	9,393	6,781
Government of Korea 1.88% 03-10-2051	South Korea	Foreign Governments	KOR 2,655,920,000	1,960	1,759
Government of Korea 2.50% 03-10-2052	South Korea	Foreign Governments	KOR 735,260,000	573	561
Government of Korea 2.00% 09-10-2068	South Korea	Foreign Governments	KOR 375,800,000	454	228
Government of Korea 1.63% 09-10-2070	South Korea	Foreign Governments	KOR 462,000,000	318	241
Government of Malaysia 3.66% 10-15-2024	Malaysia	Foreign Governments	MYR 4,912,000	1,501	1,422
Government of Malaysia 3.88% 03-14-2025	Malaysia	Foreign Governments	MYR 6,453,000	1,941	1,880
Government of Malaysia 4.13% 08-15-2025	Malaysia	Foreign Governments	MYR 1,307,000	436	383
Government of Malaysia 3.955% 09-15-2025	Malaysia	Foreign Governments	MYR 950,000	278	277
Government of Malaysia 3.73% 03-31-2026	Malaysia	Foreign Governments	MYR 3,088,000	1,019	895
Government of Malaysia 4.39% 04-15-2026	Malaysia	Foreign Governments	MYR 8,634,000	2,952	2,544
Government of Malaysia 3.91% 07-15-2026	Malaysia	Foreign Governments	MYR 4,955,000	1,681	1,446
Government of Malaysia 4.26% 07-26-2027	Malaysia	Foreign Governments	MYR 2,556,000	858	752
Government of Malaysia 3.42% 09-30-2027	Malaysia	Foreign Governments	MYR 16,350,000	5,043	4,667
Government of Malaysia 3.73% 06-15-2028	Malaysia	Foreign Governments	MYR 13,557,000	4,171	3,913
Government of Malaysia 3.89% 08-15-2029	Malaysia	Foreign Governments	MYR 1,019,000	304	294
Government of Malaysia 4.50% 04-15-2030	Malaysia	Foreign Governments	MYR 4,960,000	1,722	1,486
Government of Malaysia 3.47% 10-15-2030	Malaysia	Foreign Governments	MYR 14,287,000	4,567	4,017
Government of Malaysia 3.58% 07-15-2032	Malaysia	Foreign Governments	MYR 6,565,000	1,978	1,838
Government of Malaysia 4.19% 10-07-2032	Malaysia	Foreign Governments	MYR 4,559,000	1,335	1,334
Government of Malaysia 4.72% 06-15-2033	Malaysia	Foreign Governments	MYR 7,383,000	2,458	2,255
Government of Malaysia 4.64% 11-07-2033	Malaysia	Foreign Governments	MYR 5,627,000	2,040	1,717
Government of Malaysia 4.12% 11-30-2034	Malaysia	Foreign Governments	MYR 5,007,000	1,648	1,449
Government of Malaysia 4.25% 05-31-2035	Malaysia	Foreign Governments	MYR 6,047,000	1,814	1,771
Government of Malaysia 4.76% 04-07-2037	Malaysia	Foreign Governments	MYR 6,877,000	2,518	2,108
Government of Malaysia 4.47% 09-15-2039	Malaysia	Foreign Governments	MYR 5,798,000	1,934	1,712
Government of Malaysia 3.76% 05-22-2040	Malaysia	Foreign Governments	MYR 1,540,000	444	418
Government of Malaysia 4.42% 09-30-2041	Malaysia	Foreign Governments	MYR 1,853,000	546	543
Government of Malaysia 4.70% 10-15-2042	Malaysia	Foreign Governments	MYR 1,341,000	447	408
Government of Malaysia 4.94% 09-30-2043	Malaysia	Foreign Governments	MYR 5,135,000	1,764	1,593
Government of Malaysia 4.74% 03-15-2046	Malaysia	Foreign Governments	MYR 3,726,000	1,228	1,127
Government of Malaysia 4.92% 07-06-2048	Malaysia	Foreign Governments	MYR 3,182,000	1,138	980
Government of Malaysia 4.64% 11-15-2049	Malaysia	Foreign Governments	MYR 6,497,000	2,038	1,919
Government of Malaysia 4.07% 06-15-2050	Malaysia	Foreign Governments	MYR 5,354,000	1,548	1,449
Government of Mexico 5.75% 03-05-2026	Mexico	Foreign Governments	MXN 36,360,000	2,240	2,544
Government of Mexico 5.50% 03-04-2027	Mexico	Foreign Governments	MXN 20,940,000	1,268	1,406
Government of Mexico 7.50% 06-03-2027	Mexico	Foreign Governments	MXN 43,050,000	2,839	3,066
Government of Mexico 8.50% 05-31-2029	Mexico	Foreign Governments	MXN 47,800,000	3,272	3,486
Government of Mexico 7.75% 05-29-2031	Mexico	Foreign Governments	MXN 78,300,000	5,305	5,378
Government of Mexico 7.50% 05-26-2033	Mexico	Foreign Governments	MXN 8,480,000	580	562
Government of Mexico 7.75% 11-23-2034	Mexico	Foreign Governments	MXN 29,060,000	1,943	1,932
Government of Mexico 10.00% 11-20-2036	Mexico	Foreign Governments	MXN 12,470,000	1,034	976
Government of Mexico 8.50% 11-18-2038	Mexico	Foreign Governments	MXN 40,630,000	2,803	2,793
Government of Mexico 8.00% 11-07-2047	Mexico	Foreign Governments	MXN 46,870,000	3,166	3,008
Government of Mexico 8.00% 07-31-2053	Mexico	Foreign Governments	MXN 21,340,000	1,325	1,358
Government of Peru 8.20% 08-12-2026	Peru	Foreign Governments	PEN 1,573,000	654	593

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

SCHEDULE OF INVESTMENTS (cont'd)

as at September 30, 2023

	Country	Sector	Par Value/ Number of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
BONDS (cont'd)					
Government of Peru 6.35% 08-12-2028	Peru	Foreign Governments	PEN 1,591,000	589	571
Government of Peru 5.94% 02-12-2029	Peru	Foreign Governments	PEN 3,800,000	1,417	1,324
Government of Peru 6.95% 08-12-2031	Peru	Foreign Governments	PEN 3,565,000	1,420	1,266
Government of Peru 6.15% 08-12-2032	Peru	Foreign Governments	PEN 3,341,000	1,210	1,116
Government of Peru 7.30% 08-12-2033	Peru	Foreign Governments	PEN 3,226,000	1,194	1,156
Government of Peru 5.40% 08-12-2034	Peru	Foreign Governments	PEN 2,988,000	1,002	916
Government of Peru 6.90% 08-12-2037	Peru	Foreign Governments	PEN 3,131,000	1,284	1,069
Government of Peru 5.35% 08-12-2040	Peru	Foreign Governments	PEN 1,792,000	546	516
Government of Peru 6.85% 02-12-2042	Peru	Foreign Governments	PEN 1,005,000	391	339
Government of Romania 4.50% 06-17-2024	Romania	Foreign Governments	RON 785,000	260	224
Government of Romania 3.70% 11-25-2024	Romania	Foreign Governments	RON 1,055,000	306	297
Government of Romania 4.75% 02-24-2025	Romania	Foreign Governments	RON 3,600,000	1,074	1,018
Government of Romania 3.65% 07-28-2025	Romania	Foreign Governments	RON 2,085,000	587	578
Government of Romania 3.50% 11-25-2025	Romania	Foreign Governments	RON 1,325,000	352	363
Government of Romania 4.85% 04-22-2026	Romania	Foreign Governments	RON 3,985,000	1,304	1,109
Government of Romania 3.25% 06-24-2026	Romania	Foreign Governments	RON 3,295,000	962	880
Government of Romania 4.15% 01-26-2028	Romania	Foreign Governments	RON 4,975,000	1,501	1,311
Government of Romania 8.75% 10-30-2028	Romania	Foreign Governments	RON 740,000	237	232
Government of Romania 5.00% 02-12-2029	Romania	Foreign Governments	RON 3,000,000	978	803
Government of Romania 4.85% 07-25-2029	Romania	Foreign Governments	RON 4,540,000	1,077	1,202
Government of Romania 8.00% 04-29-2030	Romania	Foreign Governments	RON 1,300,000	403	397
Government of Romania 4.15% 10-24-2030	Romania	Foreign Governments	RON 1,890,000	471	470
Government of Romania 3.65% 09-24-2031	Romania	Foreign Governments	RON 2,860,000	750	673
Government of Romania 6.70% 02-25-2032	Romania	Foreign Governments	RON 3,805,000	973	1,083
Government of Romania 8.25% 09-29-2032	Romania	Foreign Governments	RON 860,000	258	268
Government of Romania 4.75% 10-11-2034	Romania	Foreign Governments	RON 3,595,000	880	863
Government of Romania 4.25% 04-28-2036	Romania	Foreign Governments	RON 1,420,000	291	316
Government of Romania 7.90% 02-24-2038	Romania	Foreign Governments	RON 1,845,000	599	573
Government of South Africa 10.50% 12-21-2026	South Africa	Foreign Governments	ZAR 71,643,000	6,574	5,296
Government of South Africa 8.00% 01-31-2030	South Africa	Foreign Governments	ZAR 54,125,000	4,113	3,391
Government of South Africa 7.00% 02-28-2031	South Africa	Foreign Governments	ZAR 25,977,000	1,787	1,464
Government of South Africa 8.25% 03-31-2032	South Africa	Foreign Governments	ZAR 100,433,000	7,196	5,882
Government of South Africa 8.88% 02-28-2035	South Africa	Foreign Governments	ZAR 7,950,000	465	450
Government of South Africa 6.25% 03-31-2036	South Africa	Foreign Governments	ZAR 18,575,000	973	816
Government of South Africa 8.50% 01-31-2037	South Africa	Foreign Governments	ZAR 87,380,000	6,389	4,592
Government of South Africa 9.00% 01-31-2040	South Africa	Foreign Governments	ZAR 37,090,000	2,700	1,964
Government of South Africa 6.50% 02-28-2041	South Africa	Foreign Governments	ZAR 7,177,000	372	291
Government of South Africa 8.75% 01-31-2044	South Africa	Foreign Governments	ZAR 57,153,000	3,688	2,867
Government of South Africa 8.75% 02-28-2048	South Africa	Foreign Governments	ZAR 69,353,000	4,663	3,459
Government of Thailand 0.75% 06-17-2024	Thailand	Foreign Governments	THB 5,701,000	222	210
Government of Thailand 1.45% 12-17-2024	Thailand	Foreign Governments	THB 102,565,000	4,235	3,779
Government of Thailand 0.95% 06-17-2025	Thailand	Foreign Governments	THB 7,067,000	276	257
Government of Thailand 3.85% 12-12-2025	Thailand	Foreign Governments	THB 90,163,000	4,262	3,458
Government of Thailand 2.13% 12-17-2026	Thailand	Foreign Governments	THB 85,145,000	3,556	3,124
Government of Thailand 1.00% 06-17-2027	Thailand	Foreign Governments	THB 30,498,000	1,113	1,070
Government of Thailand 3.58% 12-17-2027	Thailand	Foreign Governments	THB 34,239,000	1,694	1,324
Government of Thailand 2.88% 12-17-2028	Thailand	Foreign Governments	THB 73,432,000	3,358	2,742
Government of Thailand 4.88% 06-22-2029	Thailand	Foreign Governments	THB 65,459,000	3,547	2,690
Government of Thailand 1.60% 12-17-2029	Thailand	Foreign Governments	THB 2,372,000	93	82
Government of Thailand 3.65% 06-20-2031	Thailand	Foreign Governments	THB 36,491,000	1,869	1,414
Government of Thailand 3.78% 06-25-2032	Thailand	Foreign Governments	THB 163,356,000	7,561	6,348
Government of Thailand 3.35% 06-17-2033	Thailand	Foreign Governments	THB 17,371,000	743	655
Government of Thailand 1.60% 06-17-2035	Thailand	Foreign Governments	THB 696,000	29	22
Government of Thailand 3.40% 06-17-2036	Thailand	Foreign Governments	THB 59,121,000	2,824	2,216
Government of Thailand 4.26% 12-12-2037	Thailand	Foreign Governments	THB 7,820,000	459	317
Government of Thailand 3.30% 06-17-2038	Thailand	Foreign Governments	THB 60,915,000	2,850	2,223
Government of Thailand 3.80% 06-14-2041	Thailand	Foreign Governments	THB 2,591,000	142	100
Government of Thailand 2.00% 06-17-2042	Thailand	Foreign Governments	THB 35,234,000	1,091	1,035
Government of Thailand 3.45% 06-17-2043	Thailand	Foreign Governments	THB 4,712,000	203	171
Government of Thailand 4.68% 06-29-2044	Thailand	Foreign Governments	THB 35,994,000	2,319	1,539
Government of Thailand 2.88% 06-17-2046	Thailand	Foreign Governments	THB 44,947,000	1,716	1,448
Government of Thailand 1.88% 06-17-2049	Thailand	Foreign Governments	THB 40,320,000	1,236	1,052
Government of Thailand 4.00% 06-17-2066	Thailand	Foreign Governments	THB 816,000	53	32
Government of Thailand 3.60% 06-17-2067	Thailand	Foreign Governments	THB 80,855,000	3,867	2,823

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

SCHEDULE OF INVESTMENTS (cont'd)

as at September 30, 2023

	Country	Sector	Par Value/ Number of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
BONDS (cont'd)					
Government of the Philippines 4.75% 05-04-2027	Philippines	Foreign Governments	PHP 70,590,000	2,004	1,608
Government of the Philippines 2.88% 07-09-2030	Philippines	Foreign Governments	PHP 50,000,000	1,191	956
Government of the Philippines 6.25% 01-14-2036	Philippines	Foreign Governments	PHP 460,000,000	13,101	10,599
The Hong Kong Mortgage Corp. Ltd. 2.70% 02-09-2024	Hong Kong	Foreign Governments	CNY 19,000,000	3,666	3,525
ING Groep NV F/R 10-02-2023	Netherlands	Corporate - Non Convertible	USD 2,000,000	2,714	2,717
Inter-American Development Bank 7.50% 12-05-2024	Supra - National	n/a	MXN 12,000,000	784	897
International Bank for Reconstruction and Development 0% 07-10-2024	Supra - National	n/a	MXN 37,000,000	2,140	2,628
International Bank for Reconstruction and Development 2.00% 07-23-2025	Supra - National	n/a	PHP 45,000,000	1,144	1,011
International Bank for Reconstruction and Development 4.50% 04-15-2026	Supra - National	n/a	IDR 600,000,000	51	51
International Finance Corp. 0% 10-05-2023	Supra - National	n/a	MXN 10,000,000	651	785
International Finance Corp. 7.00% 07-20-2027	Supra - National	n/a	MXN 5,000,000	330	347
International Finance Corp. 7.02% 04-06-2028	Supra - National	n/a	MXN 1,500,000	104	101
The Korea Development Bank 3.20% 08-19-2025	South Korea	Foreign Governments	CNY 1,000,000	187	186
Kreditanstalt fuer Wiederaufbau 7.50% 12-07-2023	Germany	Corporate - Non Convertible	MXN 10,000,000	641	775
Kreditanstalt fuer Wiederaufbau 2.70% 03-25-2024	Germany	Corporate - Non Convertible	CNY 5,000,000	972	927
Mexican Bonos 7.75% 11-13-2042	Mexico	Foreign Governments	MXN 43,170,000	2,785	2,712
United Overseas Bank Ltd. 4.50% 04-06-2032	Singapore	Corporate - Non Convertible	CNY 7,000,000	1,354	1,343
Total bonds				471,319	433,963
SHORT-TERM NOTES					
Government of Brazil 0% 07-01-2024	Brazil	Foreign Governments	BRL 17,000,000	3,932	4,242
Government of Brazil 0% 01-01-2025	Brazil	Foreign Governments	BRL 2,000,000	416	475
Government of Brazil 0% 07-01-2025	Brazil	Foreign Governments	BRL 37,000,000	7,638	8,395
Government of Brazil 0.00% 01-01-2026	Brazil	Foreign Governments	BRL 31,000,000	6,228	6,666
Government of Brazil 0% 07-01-2026	Brazil	Foreign Governments	BRL 32,000,000	6,658	6,534
Total short-term notes				24,872	26,312
Transaction costs				—	—
Total investments				496,191	460,275
Derivative instruments (see schedule of derivative instruments)					(110)
Cash and cash equivalents					(651)
Other assets less liabilities					3,721
Net assets attributable to unitholders					463,235

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

SUMMARY OF INVESTMENT PORTFOLIO

SEPTEMBER 30, 2023

PORTFOLIO ALLOCATION	% OF NAV
Bonds	93.7
Short-term investments	5.7
Other assets (liabilities)	0.8
Swaps	(0.1)
Cash and cash equivalents	(0.1)

REGIONAL ALLOCATION	% OF NAV
South Korea	11.8
China	10.5
Malaysia	10.1
Brazil	9.8
Thailand	8.7
Other	8.3
Indonesia	6.7
South Africa	6.6
Mexico	6.3
Czech Republic	4.7
United Kingdom	4.5
Philippines	3.5
Colombia	2.9
Romania	2.7
Hungary	2.2
Other assets (liabilities)	0.8
Cash and cash equivalents	(0.1)

SECTOR ALLOCATION	% OF NAV
Foreign government bonds	81.8
Corporate bonds	11.9
Foreign government short-term discount notes	5.7
Other assets (liabilities)	0.8
Other	(0.1)
Cash and cash equivalents	(0.1)

MARCH 31, 2023

PORTFOLIO ALLOCATION	% OF NAV
Bonds	97.0
Cash and short-term investments	1.7
Other assets (liabilities)	1.3

REGIONAL ALLOCATION	% OF NAV
South Korea	11.4
Brazil	10.1
Malaysia	9.7
Thailand	9.5
China	8.7
Other	8.4
South Africa	7.2
Mexico	6.4
Indonesia	5.6
Czech Republic	4.6
United Kingdom	4.6
Philippines	3.6
Colombia	2.7
Romania	2.5
Hungary	2.0
Cash and short-term investments	1.7
Other assets (liabilities)	1.3

SECTOR ALLOCATION	% OF NAV
Foreign government bonds	85.9
Corporate bonds	10.9
Cash and short-term investments	1.7
Other assets (liabilities)	1.3
Federal bonds	0.2

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

SCHEDULE OF DERIVATIVE INSTRUMENTS

as at September 30, 2023

Schedule of Swap Contracts

Counterparty Credit Rating	Number of Contracts	Maturity	Fund Pays Return on	Fund Receives Return on	Notional Value (\$ 000)	Unrealized Gains (\$ 000)	Unrealized Losses (\$ 000)
A	26,848,000	Sep. 08, 2025	USD-SOFR-COMPOUND	TRY-SOFR-COMPOUND	1,330	–	(97)
A	19,468,000	May 04, 2026	USD-SOFR-COMPOUND	TRY-SOFR-COMPOUND	964	–	(228)
Total swap contracts					2,294	–	(325)

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	18 USD	(481) TRL	Oct. 2, 2023	(24)	(24)	–	–
AA	752 BRL	(151) USD	Oct. 6, 2023	206	203	–	(3)
AA	940 CLP	(1) USD	Oct. 6, 2023	1	1	–	–
AA	56 CZK	(3) USD	Oct. 6, 2023	3	3	–	–
AA	670 HUF	(2) USD	Oct. 6, 2023	3	2	–	(1)
AA	1,046,000 IDR	(69) USD	Oct. 6, 2023	93	92	–	(1)
AA	6,000 KOR	(5) USD	Oct. 6, 2023	6	6	–	–
AA	14,372 THB	(412) USD	Oct. 6, 2023	559	536	–	(23)
AA	376 USD	(1,555,600) COP	Oct. 6, 2023	(510)	(517)	–	(7)
AA	2,321 USD	(39,272) MXN	Oct. 6, 2023	(3,152)	(3,059)	93	–
AA	4 USD	(6,000) KOR	Oct. 6, 2023	(6)	(6)	–	–
AA	27 ZAR	(1) USD	Oct. 6, 2023	2	2	–	–
AA	125,000 PHP	(2,271) USD	Oct. 19, 2023	3,084	3,002	–	(82)
AA	441 USD	(25,000) PHP	Oct. 19, 2023	(599)	(600)	–	(1)
A	2,870 USD	(19,513) CNY	Feb. 16, 2024	(3,890)	(3,650)	240	–
Total forward currency contracts						333	(118)

Total Derivative assets

333

Total Derivative liabilities

(118)

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

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, 2023 and 2022, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 2023, 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 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 ETF’s most recent audited annual financial statements for the year ended March 31, 2023. 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 November 13, 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 unlisted open-ended investment funds, private funds (“Underlying Funds”) and Exchange-Traded Funds (“ETFs”), if any, at FVTPL. For private funds, the Manager will rely on the valuations provided by the managers of the private funds, which represents the ETF’s proportionate share of the net assets of these private funds. The ETF’s investment in Underlying Funds and ETFs, if any, is presented in the Schedule of Investments at fair value which represents the ETF’s maximum exposure on these investments.

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.

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(b) Fair value measurement (cont'd)

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 constituting 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.

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 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 September 30, 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.

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(d) Commissions and other portfolio transaction costs

Commissions and other portfolio transaction costs are costs incurred to acquire, issue or dispose of financial assets or liabilities. They include fees and commissions paid to agents, 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 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 is 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:

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

NOTES TO FINANCIAL STATEMENTS

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

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

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 Underlying Fund or an ETF in which the ETF invests, 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 objectives 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 11 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.

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

NOTES TO FINANCIAL STATEMENTS

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, 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 September 30, 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.

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

NOTES TO FINANCIAL STATEMENTS

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		

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

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 QEBL on October 24, 2019. The closing market price, or the midpoint of the bid and ask prices in the absence of a closing market price, at September 30, 2023 was \$76.52 (March 31, 2023 – \$81.12).

The management fee rate for CAD Units is 0.45%.

As at September 30, 2023, the ETF's NAV per unit was \$77.20 (March 31, 2023 – \$81.02) and its Net Assets per unit calculated in accordance with IFRS was \$77.21 (March 31, 2023 – \$81.02).

(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
83,265	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(c) Securities Lending

As at September 30, 2023 and March 31, 2023, the ETF did not have any open securities lending, repurchase or reverse repurchase transactions.

(d) Commissions

	(\$)
September 30, 2023	-
September 30, 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 Local Currency Government Bond Select NTR Index, or any successor thereto. It invests primarily in local currency denominated, emerging market government bonds.

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

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.

Currency	September 30, 2023				Impact on net assets			
	Investments	Cash and Short-Term Investments	Derivative Instruments	Net Exposure*	Strengthened by 5%		Weakened by 5%	
	(\$)	(\$)	(\$)	(\$)	(\$)	%	(\$)	%
BRL	45,624	26,313	203	72,140				
MYR	46,597	251	–	46,848				
CNY	50,148	209	(3,650)	46,707				
KOR	46,423	238	–	46,661				
IDR	46,359	–	92	46,451				
MXN	47,004	195	(3,059)	44,140				
THB	40,131	–	536	40,667				
ZAR	30,472	681	2	31,155				
PHP	21,958	–	2,402	24,360				
CZK	21,935	(200)	3	21,738				
COP	15,367	125	(517)	14,975				
RON	12,660	51	–	12,711				
HUF	10,655	–	2	10,657				
USD	7,476	(2,013)	4,009	9,472				
PEN	8,866	(310)	–	8,556				
CLP	8,454	16	1	8,471				
RUB	–	169	–	169				
TRL	146	–	(24)	122				
EUR	–	(223)	–	(223)				
Total	460,275	25,502	–	485,777				
% of Net Assets	99.4	5.5	–	104.9				
Total currency rate sensitivity					(24,289)	(5.2)	24,289	5.2

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

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 (cont'd)

Currency	March 31, 2023				Impact on net assets			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)	Strengthened by 5%		Weakened by 5%	
					(\$)	%	(\$)	%
BRL	18,953	25,083	69	44,105				
MXN	44,817	170	(1,423)	43,564				
KOR	42,158	208	973	43,339				
MYR	42,370	228	–	42,598				
IDR	41,951	–	80	42,031				
THB	41,736	–	5	41,741				
CNY	42,970	271	(1,614)	41,627				
ZAR	31,443	316	31	31,790				
PHP	22,188	–	(578)	21,610				
CZK	20,340	(246)	462	20,556				
COP	11,809	116	33	11,958				
RON	10,820	–	98	10,918				
HUF	9,387	46	15	9,448				
CLP	8,213	–	5	8,218				
PEN	7,951	33	15	7,999				
TRL	1,970	(2)	4,133	6,101				
USD	–	6,038	(2,304)	3,734				
RUB	–	209	–	209				
EUR	–	5	–	5				
Total	399,076	32,475	–	431,551				
% of Net Assets	91.2	7.4	–	98.6				
Total currency rate sensitivity					(21,578)	(4.9)	21,578	4.9

* 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.

September 30, 2023	Bonds (\$)	Derivative Instruments (\$)	Impact on net assets			
			Increase by 1%		Decrease by 1%	
			(\$)	(%)	(\$)	(%)
Less than 1 year	33,421	–				
1-5 years	148,566	2,294				
5-10 years	127,044	–				
Greater than 10 years	124,932	–				
Total	433,963	2,294				
Total sensitivity to interest rate changes			(25,584)	(5.5)	25,584	5.5

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

NOTES TO FINANCIAL STATEMENTS

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

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

iii. Interest rate risk (cont'd)

March 31, 2023	Bonds (\$)	Derivative Instruments (\$)	Impact on net assets			
			Increase by 1%		Decrease by 1%	
			(\$)	(%)	(\$)	(%)
Less than 1 year	20,217	–				
1-5 years	139,976	–				
5-10 years	120,750	–				
Greater than 10 years	118,133	–				
Total	399,076	–				
Total sensitivity to interest rate changes			(24,660)	(5.6)	24,660	5.6

iv. Other price risk

As at September 30, 2023 and March 31, 2023, the ETF did not have a significant exposure to other price risk.

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 September 30, 2023, was 10.1% (March 31, 2023 – 10.1%) of the net assets of the ETF.

As at September 30, 2023 and March 31, 2023, debt securities by credit rating are as follows:

Bond Rating*	September 30, 2023	March 31, 2023
	% of Net Assets	% of Net Assets
AAA	4.2	3.7
AA	15.9	15.8
A	28.6	28.2
BBB	26.3	23.8
Less than BBB	10.7	17.4
Unrated	8.0	8.1
Total	93.7	97.0

* 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.

	September 30, 2023				March 31, 2023			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	433,963	–	433,963	–	399,076	–	399,076
Derivative assets	–	333	–	333	–	305	–	305
Derivative liabilities	–	(443)	–	(443)	–	(265)	–	(265)
Short-term investments	–	26,312	–	26,312	–	25,083	–	25,083
Total	–	460,165	–	460,165	–	424,199	–	424,199

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:

	September 30, 2023	March 31, 2023
	(\$)	(\$)
The Manager	–	–
Other funds managed by the Manager	188,302	195,885
Funds managed by affiliates of the Manager	240,295	229,851

MACKENZIE EMERGING MARKETS LOCAL CURRENCY BOND INDEX ETF

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

NOTES TO FINANCIAL STATEMENTS

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

(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.

	September 30, 2023			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	333	(93)	–	240
Unrealized losses on derivative contracts	(118)	93	–	(25)
Liability for options written	–	–	–	–
Total	215	–	–	215

	March 31, 2023			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	305	(74)	–	231
Unrealized losses on derivative contracts	(265)	74	–	(191)
Liability for options written	–	–	–	–
Total	40	–	–	40

(i) Interest in Unconsolidated Structured Entities

As at September 30, 2023 and March 31, 2023, the ETF had no investments in Underlying Funds.