

# MACKENZIE DEVELOPED MARKETS REAL ESTATE INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## MANAGEMENT REPORT

### Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by Mackenzie Financial Corporation, as Manager of Mackenzie Developed Markets Real Estate Index ETF (the "ETF"). The Manager is responsible for the integrity, objectivity and reliability of the data presented. This responsibility includes selecting appropriate accounting principles and making judgments and estimates consistent with International Financial Reporting Standards. The Manager is also responsible for the development of internal controls over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors (the "Board") of Mackenzie Financial Corporation is responsible for reviewing and approving the financial statements and overseeing the Manager's performance of its financial reporting responsibilities. The Board meets regularly with the Manager, internal auditors and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues.

Effective March 31, 2023, KPMG LLP was appointed as the external auditor of the ETF. It is appointed by the Board. The external auditor has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express to the unitholders its opinion on the financial statements. Its report is set out below.

On behalf of Mackenzie Financial Corporation,  
Manager of the ETF



Luke Gould  
President and Chief Executive Officer



Terry Rountes  
Chief Financial Officer, Funds

June 5, 2023

## INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Mackenzie Developed Markets Real Estate Index ETF (the "ETF")

### Opinion

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

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

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

### Basis for Opinion

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

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

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

### Other Matter – Comparative Information

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



**MACKENZIE**  
Investments

# MACKENZIE DEVELOPED MARKETS REAL ESTATE INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## INDEPENDENT AUDITOR'S REPORT (cont'd)

### Other Information

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

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

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

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

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

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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



Chartered Professional Accountants, Licensed Public Accountants  
Toronto, Ontario  
June 5, 2023

# MACKENZIE DEVELOPED MARKETS REAL ESTATE INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## STATEMENTS OF FINANCIAL POSITION

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

	2023	2022
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Investments at fair value	10,085	18,319
Cash and cash equivalents	66	132
Dividends receivable	39	52
Accounts receivable for investments sold	–	–
Accounts receivable for units issued	–	–
Due from manager	–	6
<b>Total assets</b>	<b>10,190</b>	<b>18,509</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable for investments purchased	–	–
Accounts payable for units redeemed	–	–
Due to manager	12	13
<b>Total liabilities</b>	<b>12</b>	<b>13</b>
<b>Net assets attributable to unitholders</b>	<b>10,178</b>	<b>18,496</b>

	Net assets attributable to unitholders (note 3)			
	per unit		per series	
	2023	2022	2023	2022
CAD Units	101.78	123.31	10,178	18,496

## STATEMENTS OF COMPREHENSIVE INCOME

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

	2023	2022
	\$	\$
<b>Income</b>		
Dividends	519	281
Interest income for distribution purposes	1	–
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(139)	158
Net unrealized gain (loss)	(2,420)	539
Securities lending income	1	–
Other	3	7
<b>Total income (loss)</b>	<b>(2,035)</b>	<b>985</b>
<b>Expenses (note 6)</b>		
Management fees	57	35
Management fee rebates	(42)	–
Interest charges	–	1
Commissions and other portfolio transaction costs	20	20
Independent Review Committee fees	–	–
<b>Expenses before amounts absorbed by Manager</b>	<b>35</b>	<b>56</b>
Expenses absorbed by Manager	1	12
<b>Net expenses</b>	<b>34</b>	<b>44</b>
<b>Increase (decrease) in net assets attributable to unitholders from operations before tax</b>	<b>(2,069)</b>	<b>941</b>
Foreign withholding tax expense (recovery)	54	30
Foreign income tax expense (recovery)	–	–
<b>Increase (decrease) in net assets attributable to unitholders from operations</b>	<b>(2,123)</b>	<b>911</b>

	Increase (decrease) in net assets attributable to unitholders from operations (note 3)			
	per unit		per series	
	2023	2022	2023	2022
CAD Units	(17.89)	14.75	(2,123)	911

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

# MACKENZIE DEVELOPED MARKETS REAL ESTATE INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	CAD Units	
	2023	2022
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		
<b>Beginning of period</b>	<b>18,496</b>	<b>5,570</b>
Increase (decrease) in net assets from operations	(2,123)	911
Distributions paid to unitholders:		
Investment income	(368)	(214)
Capital gains	(19)	(41)
Management fee rebates	(42)	–
<b>Total distributions paid to unitholders</b>	<b>(429)</b>	<b>(255)</b>
Unit transactions:		
Proceeds from units issued	–	12,229
Reinvested distributions	19	41
Payments on redemption of units	(5,785)	–
<b>Total unit transactions</b>	<b>(5,766)</b>	<b>12,270</b>
<b>Increase (decrease) in net assets attributable to unitholders</b>	<b>(8,318)</b>	<b>12,926</b>
<b>End of period</b>	<b>10,178</b>	<b>18,496</b>
<b>Increase (decrease) in units (in thousands) (note 7):</b>	<b>Units</b>	
<b>Units outstanding – beginning of period</b>	<b>150</b>	<b>50</b>
Issued	–	100
Reinvested distributions	–	–
Redeemed	(50)	–
<b>Units outstanding – end of period</b>	<b>100</b>	<b>150</b>

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

# MACKENZIE DEVELOPED MARKETS REAL ESTATE INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## STATEMENTS OF CASH FLOWS

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

	2023	2022
	\$	\$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to unitholders from operations	(2,123)	911
Adjustments for:		
Net realized loss (gain) on investments	140	(159)
Change in net unrealized loss (gain) on investments	2,420	(539)
Purchase of investments	(1,501)	(13,030)
Proceeds from sale and maturity of investments	7,172	957
(Increase) decrease in accounts receivable and other assets	19	(35)
Increase (decrease) in accounts payable and other liabilities	(1)	4
<b>Net cash provided by (used in) operating activities</b>	<b>6,126</b>	<b>(11,891)</b>
<b>Cash flows from financing activities</b>		
Proceeds from units issued	–	12,229
Payments on redemption of units	(5,785)	–
Distributions paid net of reinvestments	(410)	(214)
<b>Net cash provided by (used in) financing activities</b>	<b>(6,195)</b>	<b>12,015</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(69)</b>	<b>124</b>
Cash and cash equivalents at beginning of period	132	9
Effect of exchange rate fluctuations on cash and cash equivalents	3	(1)
<b>Cash and cash equivalents at end of period</b>	<b>66</b>	<b>132</b>
Cash	66	132
Cash equivalents	–	–
<b>Cash and cash equivalents at end of period</b>	<b>66</b>	<b>132</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	532	248
Foreign taxes paid	54	30
Interest received	1	–
Interest paid	–	1

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

# MACKENZIE DEVELOPED MARKETS REAL ESTATE INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## SCHEDULE OF INVESTMENTS

as at March 31, 2023

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES</b>					
Abacus Property Group Stapled Securities	Australia	Real Estate	1,677	5	4
Acadia Realty Trust	United States	Real Estate	381	9	7
Aedifica SA	Belgium	Real Estate	161	23	18
AEON Mall Co. Ltd.	Japan	Real Estate	372	7	7
AEON REIT Investment Corp.	Japan	Real Estate	7	11	10
AGNC Investment Corp.	United States	Financials	2,290	40	31
Agree Realty Corp.	United States	Real Estate	352	30	33
Airport City Ltd.	Israel	Real Estate	263	7	5
Alexander & Baldwin Inc.	United States	Real Estate	289	8	7
Alexander's Inc.	United States	Real Estate	9	3	2
Alexandria Real Estate Equities Inc.	United States	Real Estate	657	151	112
Allied Properties Real Estate Investment Trust	Canada	Real Estate	509	20	12
Allreal Holding AG	Switzerland	Real Estate	52	14	12
Alony Hetz Properties & Investments Ltd.	Israel	Real Estate	616	13	6
Altus Group Ltd.	Canada	Real Estate	179	9	10
American Assets Trust Inc.	United States	Real Estate	189	8	5
American Homes 4 Rent Class A	United States	Real Estate	1,158	52	49
American Tower Corp. Class A	United States	Real Estate	1,876	570	520
Americold Realty Trust	United States	Real Estate	1,086	43	42
Amot Investments Ltd.	Israel	Real Estate	868	8	6
Annaly Capital Management Inc.	United States	Financials	1,884	66	49
Apartment Income Real Estate Investment Trust Corp.	United States	Real Estate	604	34	29
Apartment Investment & Management Co.	United States	Real Estate	568	5	6
Apollo Commercial Real Estate Finance Inc.	United States	Financials	563	9	7
Apple Hospitality REIT Inc.	United States	Real Estate	823	16	17
Arbor Realty Trust Inc.	United States	Financials	668	14	10
Aroundtown SA	Germany	Real Estate	3,780	28	7
Ascendas Real Estate Investment Trust	Singapore	Real Estate	12,399	35	36
Ascott Trust	Singapore	Real Estate	8,702	8	9
Assura PLC	United Kingdom	Real Estate	11,941	14	10
Atrium Ljungberg AB	Sweden	Real Estate	211	5	5
AvalonBay Communities Inc.	United States	Real Estate	553	149	126
Azrieli Group Ltd.	Israel	Real Estate	148	15	11
The Berkeley Group Holdings PLC	United Kingdom	Consumer Discretionary	427	28	30
Big Yellow Group PLC	United Kingdom	Real Estate	707	16	14
Blackstone Mortgage Trust Inc.	United States	Financials	672	25	16
Boardwalk Real Estate Investment Trust	Canada	Real Estate	149	7	8
Boston Properties Inc.	United States	Real Estate	577	80	42
Brandywine Realty Trust	United States	Real Estate	681	11	4
The British Land Co. PLC	United Kingdom	Real Estate	3,625	30	24
Brixmor Property Group Inc.	United States	Real Estate	1,204	32	35
Broadstone Net Lease Inc.	United States	Real Estate	681	20	16
BWP Trust	Australia	Real Estate	1,941	7	7
CA Immobilien Anlagen AG	Austria	Real Estate	153	7	6
Cambridge Industrial Trust	Singapore	Real Estate	22,619	9	7
Camden Property Trust	United States	Real Estate	426	77	60
Canadian Apartment Properties Real Estate Investment Trust	Canada	Real Estate	709	36	34
Capitaland Investment Ltd.	Singapore	Real Estate	9,934	34	37
CapitaLand Mall Integrated Commercial Trust	Singapore	Real Estate	21,188	42	43
CapitaLand Retail China Trust	Singapore	Real Estate	4,685	6	5
CareTrust REIT Inc.	United States	Real Estate	385	9	10
Castellum AB	Sweden	Real Estate	986	28	15
Catena AB	Sweden	Real Estate	137	9	7
CBRE Group Inc. Class A	United States	Real Estate	1,225	131	121
CDL Hospitality Trusts	Singapore	Real Estate	3,628	4	4
Centuria Industrial REIT	Australia	Real Estate	2,066	7	6
Charter Hall Group	Australia	Real Estate	1,754	24	17
Charter Hall Long WALE REIT	Australia	Real Estate	2,721	12	10
Charter Hall Retail REIT	Australia	Real Estate	2,315	8	8
Chartwell Retirement Residences	Canada	Health Care	948	10	8
Chimera Investment Corp.	United States	Financials	920	14	7
Choice Properties Real Estate Investment Trust	Canada	Real Estate	954	13	14
City Developments Ltd.	Singapore	Real Estate	2,081	15	16

# MACKENZIE DEVELOPED MARKETS REAL ESTATE INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2023

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES (cont'd)</b>					
Citycon OYJ	Finland	Real Estate	313	3	3
CK Asset Holdings Ltd.	Hong Kong	Real Estate	6,433	51	53
Claros Mortgage Trust Inc.	United States	Financials	473	10	7
Cofinimmo	Belgium	Real Estate	124	22	15
Colliers International Group Inc.	Canada	Real Estate	157	26	22
Corporate Office Properties Trust	United States	Real Estate	451	15	14
Cousins Properties Inc.	United States	Real Estate	608	28	18
Covivio	France	Real Estate	190	19	15
Crombie Real Estate Investment Trust	Canada	Real Estate	421	7	6
Cromwell Property Group	Australia	Real Estate	9,839	8	5
Crown Castle International Corp.	United States	Real Estate	1,742	366	317
CT Real Estate Investment Trust	Canada	Real Estate	295	5	5
CTP NV	Netherlands	Real Estate	414	9	7
CubeSmart	United States	Real Estate	902	51	56
Cushman & Wakefield PLC	United States	Real Estate	658	16	9
Daito Trust Construction Co. Ltd.	Japan	Real Estate	241	33	32
Daiwa House REIT Investment Corp.	Japan	Real Estate	9	31	25
Derwent London PLC	United Kingdom	Real Estate	452	23	18
Dexus Property Group	Australia	Real Estate	4,313	40	29
DiamondRock Hospitality Co.	United States	Real Estate	825	10	9
Digital Realty Trust Inc.	United States	Real Estate	1,160	204	154
DigitalBridge Group Inc.	United States	Financials	632	19	10
Douglas Emmett Inc.	United States	Real Estate	686	26	11
Dream Industrial Real Estate Investment Trust	Canada	Real Estate	953	14	14
Easterly Government Properties Inc.	United States	Real Estate	366	10	7
EastGroup Properties Inc.	United States	Real Estate	173	38	39
Empire State Realty Trust Inc.	United States	Real Estate	648	8	6
Entra ASA	Norway	Real Estate	273	6	4
EPR Properties	United States	Real Estate	299	16	15
Equinix Inc.	United States	Real Estate	373	326	365
Equity Commonwealth	United States	Real Estate	420	15	12
Equity Lifestyle Properties Inc.	United States	Real Estate	687	64	62
Equity Residential	United States	Real Estate	1,480	142	120
ESR Cayman Ltd.	China	Real Estate	9,532	39	23
Essential Properties Realty Trust Inc.	United States	Real Estate	570	17	19
Essex Property Trust Inc.	United States	Real Estate	260	94	74
Eurocommercial Properties NV	Netherlands	Real Estate	172	6	5
Extra Space Storage Inc.	United States	Real Estate	533	112	118
Fabege AB	Sweden	Real Estate	1,047	20	11
Fastighets AB Balder	Sweden	Real Estate	2,523	31	14
Federal Realty Investment Trust	United States	Real Estate	324	44	43
First Capital Real Estate Investment Trust	Canada	Real Estate	860	14	14
First Industrial Realty Trust Inc.	United States	Real Estate	532	36	38
FirstService Corp.	Canada	Real Estate	156	28	30
Fortune Real Estate Investment Trust	Hong Kong	Real Estate	6,290	8	7
Four Corners Property Trust Inc.	United States	Real Estate	335	11	12
Franklin BSP Realty Trust Inc.	United States	Financials	332	7	5
Frasers Centrepoint Trust	Singapore	Real Estate	4,047	9	9
Frasers Logistics & Industrial Trust	Singapore	Real Estate	11,308	15	15
Gaming and Leisure Properties Inc.	United States	Real Estate	994	55	70
Gav-Yam Lands Corp. Ltd.	Israel	Real Estate	115	2	1
Gecina SA	France	Real Estate	209	35	29
Gemdale Properties and Investment Corp. Ltd.	China	Real Estate	21,138	4	2
The Geo Group Inc.	United States	Industrials	475	7	5
Getty Realty Corp.	United States	Real Estate	171	6	8
Global Net Lease Inc.	United States	Real Estate	418	8	7
GLP J-REIT	Japan	Real Estate	18	34	26
Goodman Group	Australia	Real Estate	6,672	135	114
Goodman Property Trust	New Zealand	Real Estate	5,201	10	9
GPT Group Stapled Securities	Australia	Real Estate	7,718	33	30
Grainger PLC	United Kingdom	Real Estate	2,996	15	12
Grand City Properties SA	Germany	Real Estate	285	8	3
Granite Real Estate Investment Trust	Canada	Real Estate	256	22	21

# MACKENZIE DEVELOPED MARKETS REAL ESTATE INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2023

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES (cont'd)</b>					
Great Portland Estates PLC	United Kingdom	Real Estate	1,019	12	9
Growthpoint Properties Australia Ltd.	Australia	Real Estate	1,127	4	3
H&R Real Estate Investment Trust	Canada	Real Estate	1,065	12	13
Hammerson PLC	United Kingdom	Real Estate	14,911	7	7
Hang Lung Development Co.	Hong Kong	Real Estate	3,226	10	8
Hang Lung Properties Ltd.	Hong Kong	Real Estate	7,048	20	18
Hannon Armstrong Sustainable Infrastructure Capital Inc.	United States	Financials	353	18	14
Healthcare Realty Trust Inc.	United States	Real Estate	1,527	53	40
Healthpeak Properties Inc.	United States	Real Estate	2,164	84	64
Henderson Land Development Co. Ltd.	Hong Kong	Real Estate	5,306	28	25
Highwoods Properties Inc.	United States	Real Estate	419	22	13
Hilton Grand Vacations Inc.	United States	Consumer Discretionary	338	19	20
HomeCo Daily Needs Real Estate Investment Trust	Australia	Real Estate	6,651	8	7
Hongkong Land Holdings Ltd.	Hong Kong	Real Estate	4,457	29	26
Hopson Development Holdings Ltd.	China	Real Estate	3,030	7	4
Host Hotels & Resorts Inc.	United States	Real Estate	2,856	60	64
Howard Hughes Corp.	United States	Real Estate	136	15	15
Hudson Pacific Properties Inc.	United States	Real Estate	561	17	5
Hufvudstaden AB A	Sweden	Real Estate	441	8	8
Hulic Co. Ltd.	Japan	Real Estate	1,919	23	21
Hysan Development Co. Ltd.	Hong Kong	Real Estate	2,381	9	9
ICADE	France	Real Estate	126	10	8
Ichigo Inc.	Japan	Real Estate	919	3	3
Immofinanz AG	Austria	Real Estate	124	4	2
Independence Realty Trust Inc.	United States	Real Estate	899	26	20
Industrial & Infrastructure Fund Investment Corp.	Japan	Real Estate	8	16	12
Industrial Buildings Corp. Ltd.	Israel	Real Estate	2,558	11	10
Ingenia Communities Group	Australia	Real Estate	1,625	8	6
Inmobiliaria Colonial SOCIMI SA	Spain	Real Estate	1,706	19	15
Innovative Industrial Properties Inc.	United States	Real Estate	111	23	11
InterRent Real Estate Investment Trust	Canada	Real Estate	531	8	7
InvenTrust Properties Corp.	United States	Real Estate	265	10	8
Invincible Investment Corp.	Japan	Real Estate	25	11	14
Invitation Homes Inc.	United States	Real Estate	2,464	115	104
Iron Mountain Inc.	United States	Real Estate	1,164	58	83
Japan Hotel REIT Investment Corp.	Japan	Real Estate	18	12	14
Japan Metropolitan Fund Investment Corp.	Japan	Real Estate	28	30	28
Japan Rental Housing Investments Inc.	Japan	Real Estate	9	11	10
JBG Smith Properties	United States	Real Estate	457	16	9
JM AB	Sweden	Consumer Discretionary	177	5	4
Jones Lang LaSalle Inc.	United States	Real Estate	189	49	37
Kennedy-Wilson Holdings Inc.	United States	Real Estate	474	12	11
Keppel DC REIT	Singapore	Real Estate	5,543	13	12
Keppel REIT	Singapore	Real Estate	8,675	9	8
Kerry Properties Ltd.	Hong Kong	Real Estate	2,265	7	8
Killam Apartment Real Estate Investment Trust	Canada	Real Estate	464	9	8
Kilroy Realty Corp.	United States	Real Estate	466	39	20
Kimco Realty Corp.	United States	Real Estate	2,443	65	65
Kite Realty Group Trust	United States	Real Estate	878	24	25
Klepierre	France	Real Estate	895	26	27
Kojamo OYJ	Finland	Real Estate	494	15	8
Ladder Capital Corp.	United States	Financials	455	7	6
Lamar Advertising Co. Class A	United States	Real Estate	349	44	47
Land Securities Group PLC	United Kingdom	Real Estate	3,005	36	31
LaSalle Logiport REIT	Japan	Real Estate	7	14	11
LEG Immobilien GmbH	Germany	Real Estate	295	51	22
Lendlease Global Commercial REIT	Singapore	Financials	7,082	5	5
Lexington Realty Trust	United States	Real Estate	1,090	19	15
Life Storage Inc.	United States	Real Estate	341	49	60
Lifestyle Communities Ltd.	Australia	Real Estate	390	6	6
The Link Real Estate Investment Trust	Hong Kong	Real Estate	10,309	106	90
Londonmetric Property PLC	United Kingdom	Real Estate	3,860	17	11
LTC Properties Inc.	United States	Real Estate	160	7	8



# MACKENZIE DEVELOPED MARKETS REAL ESTATE INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2023

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES (cont'd)</b>					
LXi REIT PLC	United Kingdom	Real Estate	6,755	14	11
The Macerich Co.	United States	Real Estate	862	17	12
Mack-Cali Realty Corp.	United States	Real Estate	343	7	7
Mapletree Commercial Trust	Singapore	Real Estate	12,607	22	23
Mapletree Industrial Trust	Singapore	Real Estate	8,146	21	20
Mapletree Logistics Trust	Singapore	Real Estate	13,177	23	23
Marcus & Millichap Inc.	United States	Real Estate	101	6	4
Medical Properties Trust Inc.	United States	Real Estate	2,384	60	27
Melison Ltd.	Israel	Real Estate	93	9	8
Merlin Properties Socimi SA	Spain	Real Estate	1,318	18	16
MFA Financial Inc.	United States	Financials	408	7	5
Mid-America Apartment Communities Inc.	United States	Real Estate	463	105	95
Mirvac Group Stapled Securities	Australia	Real Estate	15,869	35	30
Mitsubishi Estate Co. Ltd.	Japan	Real Estate	4,703	94	75
Mitsui Fudosan Co. Ltd.	Japan	Real Estate	3,531	96	89
Mobimo Holding AG	Switzerland	Real Estate	29	12	10
Montea SCA	Belgium	Real Estate	65	10	7
Mori Hills REIT Investment Corp.	Japan	Real Estate	7	11	11
National Health Investors Inc.	United States	Real Estate	167	12	12
National Retail Properties Inc.	United States	Real Estate	716	37	43
National Storage Affiliates Trust	United States	Real Estate	339	23	19
National Storage REIT	Australia	Real Estate	4,754	10	11
New Residential Investment Corp.	United States	Financials	1,901	24	21
New World Development Co. Ltd.	Hong Kong	Real Estate	5,527	31	20
Newmark Group Inc.	United States	Real Estate	531	11	5
Nexity SA	France	Real Estate	176	8	6
NexPoint Residential Trust Inc.	United States	Real Estate	90	9	5
Nippon Building Fund Inc.	Japan	Real Estate	7	51	39
Nippon Prologis REIT Inc.	Japan	Real Estate	9	35	26
Nomura Real Estate Holdings Inc.	Japan	Real Estate	438	13	13
Nomura Real Estate Master Fund Inc.	Japan	Real Estate	18	31	27
NorthWest Healthcare Properties Real Estate Investment Trust	Canada	Real Estate	851	10	7
NP3 Fastigheter AB	Sweden	Real Estate	101	3	2
Nyfosa AB	Sweden	Real Estate	566	10	5
Omega Healthcare Investors Inc.	United States	Real Estate	942	36	35
ORIX JREIT Inc.	Japan	Real Estate	11	21	19
Outfront Media Inc.	United States	Real Estate	587	16	13
Pandox AB	Sweden	Real Estate	346	6	6
Paramount Group Inc.	United States	Real Estate	751	8	5
Park Hotels & Resorts Inc.	United States	Real Estate	847	18	14
Parkway Life Real Estate Investment Trust	Singapore	Real Estate	1,563	7	6
Pebblebrook Hotel Trust	United States	Real Estate	524	14	10
PennyMac Mortgage Investment Trust	United States	Financials	355	7	6
Phillips Edison & Co. Inc.	United States	Real Estate	471	20	21
Physicians Realty Trust	United States	Real Estate	914	20	18
Piedmont Office Realty Trust Inc.	United States	Real Estate	492	10	5
PotlatchDeltic Corp.	United States	Real Estate	319	20	21
Precinct Properties New Zealand Ltd.	New Zealand	Real Estate	5,965	8	6
Primaris Retail Real Estate Investment Trust	Canada	Real Estate	288	4	4
Primary Health Properties PLC	United Kingdom	Real Estate	5,299	13	9
ProLogis Inc.	United States	Real Estate	3,719	599	629
PSP Swiss Property AG Reg.	Switzerland	Real Estate	184	28	28
Public Storage	United States	Real Estate	615	244	252
Radius Global Infrastructure Inc.	United States	Communication Services	316	6	6
Rayonier Inc.	United States	Real Estate	586	26	26
Ready Capital Corp.	United States	Real Estate	394	7	5
Realty Income Corp.	United States	Real Estate	2,526	214	217
Regency Centers Corp.	United States	Real Estate	685	51	57
Region RE Ltd	Australia	Real Estate	4,563	11	10
Relo Holdings Inc.	Japan	Real Estate	423	10	9
Retail Opportunity Investments Corp.	United States	Real Estate	490	10	9
Rexford Industrial Realty Inc.	United States	Real Estate	741	60	60

# MACKENZIE DEVELOPED MARKETS REAL ESTATE INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2023

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES (cont'd)</b>					
RioCan Real Estate Investment Trust	Canada	Real Estate	1,218	26	25
RLJ Lodging Trust	United States	Real Estate	639	11	9
Ryman Hospitality Properties Inc.	United States	Real Estate	211	21	26
Sabra Health Care REIT Inc.	United States	Real Estate	919	16	14
Safehold Inc.	United States	Real Estate	104	7	4
Safestore Holdings PLC	United Kingdom	Real Estate	869	17	14
Sagax AB Class B	Sweden	Real Estate	657	22	20
Samhallsbyggnadsbolaget i Norden AB	Sweden	Real Estate	4,360	29	8
Savills PLC	United Kingdom	Real Estate	579	12	10
SBA Communications Corp. Class A	United States	Real Estate	432	170	153
Scentre Group	Australia	Real Estate	20,941	55	52
Segro PLC	United Kingdom	Real Estate	4,876	98	63
Sekisui House Ltd.	Japan	Consumer Discretionary	2,385	61	65
Sekisui House REIT Inc.	Japan	Real Estate	17	15	12
Service Properties Trust	United States	Real Estate	659	8	9
Shaffesbury Capital PLC	United Kingdom	Financials	5,915	12	11
Shimao Property Holdings Ltd.	China	Real Estate	9,152	20	7
Shurgard Self Storage Europe SARL	Belgium	Real Estate	101	7	7
Simon Property Group Inc.	United States	Real Estate	1,311	198	200
Sino Land Co. Ltd.	Hong Kong	Real Estate	13,652	23	25
Sirius Real Estate Ltd.	Germany	Real Estate	4,468	6	6
SITE CENTERS Corp.	United States	Real Estate	740	13	12
SL Green Realty Corp.	United States	Real Estate	259	23	8
Smart Real Estate Investment Trust	Canada	Real Estate	392	11	10
SPH REIT	Singapore	Real Estate	4,285	4	4
Spirit Realty Capital Inc.	United States	Real Estate	561	31	30
The St. Joe Co.	United States	Real Estate	134	7	8
STAG Industrial Inc.	United States	Real Estate	723	34	33
Starwood Property Trust Inc.	United States	Financials	1,177	33	28
Stockland Stapled Securities	Australia	Real Estate	8,717	32	31
Sumitomo Realty & Development Co. Ltd.	Japan	Real Estate	1,229	49	37
Sun Communities Inc.	United States	Real Estate	492	110	94
Sun Hung Kai Properties Ltd.	Hong Kong	Real Estate	5,870	97	111
Sunstone Hotel Investors Inc.	United States	Real Estate	836	11	11
Suntec Real Estate Investment Trust	Singapore	Real Estate	6,618	10	10
Supermarket Income Real Estate Investment Trust PLC	United Kingdom	Real Estate	4,885	10	7
Swire Properties Ltd.	Hong Kong	Real Estate	4,251	15	15
Swiss Prime Site AG	Switzerland	Real Estate	286	35	32
TAG Immobilien AG	Germany	Real Estate	709	22	7
Tanger Factory Outlet Centers Inc.	United States	Real Estate	410	9	11
Terreno Realty Corp.	United States	Real Estate	300	25	26
Tokyo Tatemono Co. Ltd.	Japan	Real Estate	765	14	13
Tokyu Fudosan Holdings Corp.	Japan	Real Estate	2,359	16	15
Tricon Residential Inc.	Canada	Real Estate	1,026	17	11
Tritax Big Box REIT PLC	United Kingdom	Real Estate	7,518	27	18
Two Harbors Investment Corp.	United States	Financials	346	9	7
UDR Inc.	United States	Real Estate	1,307	80	73
Unibail-Rodamco SE & WFD Unibail-Rodamco NV (Amsterdam Stock Exchange)	Netherlands	Real Estate	423	36	31
The Unite Group PLC	United Kingdom	Real Estate	1,614	27	26
United Urban Investment Corp.	Japan	Real Estate	12	18	17
Uniti Group Inc.	United States	Real Estate	949	14	5
UOL Group Ltd.	Singapore	Real Estate	2,088	14	15
Urban Edge Properties	United States	Real Estate	459	9	9
Ventas Inc.	United States	Real Estate	1,607	101	94
VGP NV	Belgium	Real Estate	92	22	11
VICI Properties Inc.	United States	Real Estate	3,884	142	171
Vicinity Centres	Australia	Real Estate	15,432	24	27
Vonovia SE	Germany	Real Estate	3,054	219	78
Vornado Realty Trust	United States	Real Estate	713	37	15
W. P. Carey Inc.	United States	Real Estate	828	79	87
Wallenstam AB	Sweden	Real Estate	1,445	14	7

# MACKENZIE DEVELOPED MARKETS REAL ESTATE INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2023

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES (cont'd)</b>					
Warehouses De Pauw SCA	Belgium	Real Estate	645	31	26
Washington Real Estate Investment Trust	United States	Real Estate	349	10	8
Waypoint Real Estate Investment Trust	Australia	Real Estate	2,713	7	6
Welltower Inc.	United States	Real Estate	1,908	181	185
Weyerhaeuser Co.	United States	Real Estate	2,965	141	121
The Wharf Holdings Ltd.	Hong Kong	Real Estate	3,871	15	12
Wharf Real Estate Investment Co. Ltd.	Hong Kong	Real Estate	5,952	35	46
Wihlborgs Fastigheter AB	Sweden	Real Estate	1,078	14	11
Workspace Group PLC	United Kingdom	Real Estate	556	5	4
Xenia Hotels & Resorts Inc.	United States	Real Estate	457	10	8
Xior Student Housing NV	Belgium	Real Estate	101	7	5
Yanlord Land Group Ltd.	Singapore	Real Estate	2,111	2	2
YH Dimri Construction & Development Ltd.	Israel	Financials	27	3	2
Yuexiu Real Estate Investment Trust	Hong Kong	Real Estate	8,688	5	3
<b>Total equities</b>				<b>11,375</b>	<b>10,085</b>
Transaction costs				(9)	–
<b>Total investments</b>				<b>11,366</b>	<b>10,085</b>
Cash and cash equivalents					66
Other assets less liabilities					27
<b>Net assets attributable to unitholders</b>					<b>10,178</b>

# MACKENZIE DEVELOPED MARKETS REAL ESTATE INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## SUMMARY OF INVESTMENT PORTFOLIO

MARCH 31, 2023

PORTFOLIO ALLOCATION	% OF NAV
Equities	99.1
Cash and short-term investments	0.6
Other assets (liabilities)	0.3

REGIONAL ALLOCATION	% OF NAV
United States	67.7
Japan	6.7
Hong Kong	5.0
Australia	4.1
United Kingdom	3.3
Singapore	3.0
Canada	2.8
Sweden	1.2
France	1.1
Germany	1.1
Switzerland	0.8
Belgium	0.8
Other	0.7
Cash and short-term investments	0.6
Israel	0.5
Other assets (liabilities)	0.3
Spain	0.3

SECTOR ALLOCATION	% OF NAV
Industrial real estate investment trusts	13.3
Retail real estate investment trusts	13.3
Telecom tower real estate investment trusts	9.7
Multi-family residential real estate investment trusts	7.1
Other	6.8
Real estate operating companies	6.3
Health care real estate investment trusts	5.6
Self-storage real estate investment trusts	5.3
Data center real estate investment trusts	5.2
Office real estate investment trusts	5.1
Diversified real estate activities	5.0
Diversified real estate investment trusts	4.6
Other specialized real estate investment trusts	4.1
Single-family residential real estate investment trusts	3.0
Real estate services	2.5
Mortgage real estate investment trusts	2.2
Cash and short-term investments	0.6
Other assets (liabilities)	0.3

MARCH 31, 2022

PORTFOLIO ALLOCATION	% OF NAV
Equities	99.0
Cash and short-term investments	0.7
Other assets (liabilities)	0.3

REGIONAL ALLOCATION	% OF NAV
United States	66.1
Japan	6.3
Australia	4.5
Hong Kong	4.2
United Kingdom	3.6
Canada	2.8
Singapore	2.8
Germany	2.0
Sweden	1.7
France	1.2
Other	1.0
Belgium	0.9
Switzerland	0.8
Israel	0.7
Cash and short-term investments	0.7
Luxembourg	0.4
Other assets (liabilities)	0.3

SECTOR ALLOCATION	% OF NAV
Specialized real estate investment trusts	23.4
Industrial real estate investment trusts	13.0
Retail real estate investment trusts	11.1
Residential real estate investment trusts	10.7
Real estate operating companies	8.1
Office real estate investment trusts	6.9
Health care real estate investment trusts	5.8
Diversified real estate investment trusts	5.7
Diversified real estate activities	4.6
Real estate services	2.7
Mortgage real estate investment trusts	2.3
Hotel and resort real estate investment trusts	1.9
Real estate development	1.4
Other	0.8
Cash and short-term investments	0.7
Homebuilding	0.6
Other assets (liabilities)	0.3

# MACKENZIE DEVELOPED MARKETS REAL ESTATE INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## NOTES TO FINANCIAL STATEMENTS

### 1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the periods ended or as at March 31, 2023 and 2022, as applicable. In the year an exchange-traded fund (“the ETF”) is established, ‘period’ represents the period from inception to the period end of that fiscal year. Refer to Note 11 for the formation date of the ETF.

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

Mackenzie Financial Corporation (“Mackenzie”) is the manager of the ETF and is wholly owned by IGM Financial Inc., a subsidiary of Power Corporation of Canada. Canada Life Investment Management Ltd. (“CLIML”) is wholly owned by The Canada Life Assurance Company (“Canada Life”), a subsidiary of Power Corporation of Canada. Investments in companies within the Power Group of companies held by the ETF are identified in the Schedule of Investments.

### 2. Basis of Preparation and Presentation

These audited annual financial statements (“financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). A summary of the ETF’s significant accounting policies under IFRS is presented in Note 3.

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

These financial statements were authorized for issue by the Board of Directors of Mackenzie Financial Corporation on June 5, 2023.

### 3. Significant Accounting Policies

#### (a) Financial instruments

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

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

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

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

Gains and losses arising from changes in the fair value of the investments are included in the Statement of Comprehensive Income for the period in which they arise.

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

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

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

#### (b) Fair value measurement

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

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

# MACKENZIE DEVELOPED MARKETS REAL ESTATE INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## NOTES TO FINANCIAL STATEMENTS

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

#### (b) Fair value measurement (cont'd)

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

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

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

The value of forward contracts is the gain or loss that would be realized if, on the valuation date, the positions were to be closed out. The change in value of forward contracts is included in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net unrealized gain (loss).

The value of futures contracts or swaps fluctuates daily, and cash settlements made daily, where applicable, by the ETF are equal to the change in unrealized gains or losses that are best determined at the settlement price. These unrealized gains or losses are recorded and reported as such until the ETF closes out the contract or the contract expires. Margin paid or deposited in respect of futures contracts or swaps is reflected as a receivable in the Statement of Financial Position – Margin on derivatives. Any change in the variation margin requirement is settled daily.

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

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

Refer to the Schedule of Derivative Instruments and Schedule of Options Purchased/Written, as applicable, included in the Schedule of Investments for a listing of derivative and options positions as at March 31, 2023.

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

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

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly. Examples of Level 2 valuations include quoted prices for similar securities, quoted prices on inactive markets and from recognized investment dealers, and the application of factors derived from observable data to non-North American quoted prices in order to estimate the impact of differences in market closing times.

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

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

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

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

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

#### (c) Income recognition

Interest income for distribution purposes represents the coupon interest received by the ETF which is accounted for on an accrual basis. The ETF does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds, which are amortized on a straight-line basis. Dividends are accrued as of the ex-dividend date. Unrealized gains or losses on investments, realized gains or losses on the sale of investments, including foreign exchange gains or losses on such investments, are calculated on an average cost basis. Distributions received from an underlying fund are included in interest income, dividend income or realized gains (losses) on sale of investments, as appropriate, on the ex-dividend or distribution date.

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

Commissions and other portfolio transaction costs are costs incurred to acquire, issue or dispose of financial assets or liabilities. They include fees and commissions paid to agents, exchanges, brokers, dealers and other intermediaries. The total brokerage commissions incurred by the ETF in connection with portfolio transactions for the periods, together with other transaction charges, is disclosed in the Statements of Comprehensive Income. Brokerage business is allocated to brokers based on the best net result for the ETF. Subject to this criteria, commissions may be paid to brokerage firms which provide (or pay for) certain services, other than order execution, which may include investment research, analysis and reports, and databases or software in support of these services. Where applicable and ascertainable, the value of these services generated during the periods is disclosed in Note 11. The value of certain proprietary services provided by brokers cannot be reasonably estimated.

# MACKENZIE DEVELOPED MARKETS REAL ESTATE INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## NOTES TO FINANCIAL STATEMENTS

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

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

Mackenzie may reimburse the ETF for certain commissions and other portfolio transaction costs. Mackenzie may make these reimbursements at its discretion and stop these reimbursements at any time without notice. Any such reimbursements are included in the Statement of Comprehensive Income – expenses absorbed by Manager.

#### (e) Securities lending, repurchase and reverse repurchase transactions

The ETF is permitted to enter into securities lending, repurchase and reverse repurchase transactions as set out in the ETF's Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions included in the Statement of Comprehensive Income and recognized when earned. Securities lending transactions are administered by The Bank of New York Mellon (the "Securities Lending Agent"). The value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased.

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

#### (f) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the ETF enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statement of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. Note 11 summarizes the details of such offsetting, if applicable, subject to master netting arrangements or other similar agreements and the net impact to the Statements of Financial Position if all such rights were exercised.

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

#### (g) Currency

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

Foreign exchange gains (losses) on purchases and sales of foreign currencies are included in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net realized gain (loss).

The fair value of investments and other assets and liabilities, denominated in foreign currencies, are translated to Canadian dollars at the rate of exchange prevailing on each business day.

#### (h) Net assets attributable to unitholders per unit

Net assets attributable to unitholders per unit is computed by dividing the net assets attributable to unitholders on a business day by the total number of units outstanding on that day.

#### (i) Net asset value per unit

The daily Net Asset Value ("NAV") of an investment fund may be calculated without reference to IFRS as per the Canadian Securities Administrators' ("CSA") regulations. The difference between NAV and Net assets attributable to unitholders (as reported in the financial statements), if any, is mainly due to differences in fair value of investments and other financial assets and liabilities and is disclosed in Note 11.

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

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

#### (k) Future accounting changes

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

### 4. Critical Accounting Estimates and Judgments

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

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

#### Use of Estimates

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

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

# MACKENZIE DEVELOPED MARKETS REAL ESTATE INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## NOTES TO FINANCIAL STATEMENTS

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

Use of Judgments

*Classification and measurement of investments*

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

*Functional currency*

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

*Interest in unconsolidated structured entities*

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

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

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

### 5. Income Taxes

The ETF qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains in the taxation year, which is not paid or payable to its unitholders as at the end of the taxation year. The ETF maintains a December year-end for tax purposes. The ETF may be subject to withholding taxes on foreign income. In general, the ETF treats withholding tax as a charge against income for tax purposes. The ETF will distribute sufficient amounts from net income for tax purposes, as required, so that the ETF will not pay income taxes other than refundable tax on capital gains, if applicable.

Losses of the ETF cannot be allocated to investors and are retained in the ETF for use in future years. Non-capital losses may be carried forward up to 20 years to reduce taxable income and realized capital gains of future years. Capital losses may be carried forward indefinitely to reduce future realized capital gains. Refer to Note 11 for the ETF's loss carryforwards.

### 6. Management Fees and Operating Expenses

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

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

Mackenzie may waive or absorb management fees and operating expenses at its discretion and stop waiving or absorbing such fees at any time without notice.

Mackenzie may charge a reduced management fee rate with respect to investments in the ETF by large investors, including other funds managed by Mackenzie or affiliates of Mackenzie. An amount equal to the difference between the fee otherwise chargeable and the reduced fee will be distributed in cash to those unitholders by the ETF as a management fee distribution. Refer to Note 11 for the management fee rates charged to units of the ETF.

### 7. Units and Unit Transactions

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



# MACKENZIE DEVELOPED MARKETS REAL ESTATE INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## NOTES TO FINANCIAL STATEMENTS

### 7. Units and Unit Transactions (cont'd)

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

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

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

### 8. ETF's Capital

The capital of the ETF is comprised of the net assets attributable to unitholders. The units outstanding for the ETF as at March 31, 2023 and 2022 and units issued, reinvested and redeemed for the periods are presented in the Statement of Changes in Financial Position. Mackenzie manages the capital of the ETF in accordance with the investment objectives as discussed in Note 11.

### 9. Financial Instruments Risk

#### i. Risk exposure and management

The ETF's investment activities expose it to a variety of financial risks, as defined in IFRS 7, *Financial Instruments: Disclosures* ("IFRS 7"). The ETF's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, as at March 31, 2023, grouped by asset type, with geographic and sector information.

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

#### ii. Liquidity risk

Liquidity risk arises when the ETF encounters difficulty in meeting its financial obligations as they become due. The ETF is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. In accordance with securities regulations, the ETF must maintain at least 85% of its assets in liquid investments (i.e., investments that can be readily sold). The ETF also has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions and an additional 5% of its net assets for the purpose of funding distributions paid to its investors.

#### iii. Currency risk

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

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

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

#### iv. Interest rate risk

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

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

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

# MACKENZIE DEVELOPED MARKETS REAL ESTATE INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 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 DEVELOPED MARKETS REAL ESTATE INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## NOTES TO FINANCIAL STATEMENTS

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

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

Date of Formation: August 25, 2020

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 QRET on August 25, 2020. The closing market price, or the midpoint of the bid and ask prices in the absence of a closing market price, at March 31, 2023 was \$101.55 (2022 – \$123.29).

The management fee rate for CAD Units is 0.40%.

As at March 31, 2023, the ETF's NAV per unit was \$101.78 (2022 – \$123.31) and its Net Assets per unit calculated in accordance with IFRS was \$101.78 (2022 – \$123.31).

#### (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
44	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

#### (c) Securities Lending

	March 31, 2023		March 31, 2022	
	(\$)		(\$)	
Value of securities loaned		190		335
Value of collateral received		201		353

  

	March 31, 2023		March 31, 2022	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	1	100.0	-	-
Tax withheld	-	-	-	-
Payments to Securities Lending Agent	1	100.0	-	-
Securities lending income	1	100.0	-	-

#### (d) Commissions

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

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

##### i. Risk exposure and management

The ETF seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Solactive GBS Developed Markets Real Estate CAD Index, or any successor thereto. It invests primarily in equity securities of real estate development companies in developed markets.

# MACKENZIE DEVELOPED MARKETS REAL ESTATE INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 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	March 31, 2023				Impact on net assets			
	Investments	Cash and Short-Term Investments	Derivative Instruments	Net Exposure*	Strengthened by 5%		Weakened by 5%	
	(\$)	(\$)	(\$)	(\$)	(\$)	%	(\$)	%
USD	6,906	59	–	6,965				
JPY	680	–	–	680				
HKD	486	(13)	–	473				
AUD	419	–	–	419				
EUR	384	–	–	384				
GBP	345	–	–	345				
SGD	309	2	–	311				
SEK	123	–	–	123				
CHF	82	1	–	83				
ILS	49	–	–	49				
NZD	15	–	–	15				
NOK	4	–	–	4				
Total	9,802	49	–	9,851				
% of Net Assets	96.3	0.5	–	96.8				
Total currency rate sensitivity					(493)	(4.8)	493	4.8

Currency	March 31, 2022				Impact on net assets			
	Investments	Cash and Short-Term Investments	Derivative Instruments	Net Exposure*	Strengthened by 5%		Weakened by 5%	
	(\$)	(\$)	(\$)	(\$)	(\$)	%	(\$)	%
USD	12,254	15	–	12,269				
JPY	1,175	1	–	1,176				
EUR	982	–	–	982				
AUD	834	1	–	835				
HKD	746	–	–	746				
GBP	671	8	–	679				
SGD	509	1	–	510				
SEK	315	–	–	315				
CHF	139	1	–	140				
ILS	128	–	–	128				
NZD	32	–	–	32				
NOK	9	–	–	9				
Total	17,794	27	–	17,821				
% of Net Assets	96.2	0.1	–	96.3				
Total currency rate sensitivity					(891)	(4.8)	891	4.8

\* Includes both monetary and non-monetary financial instruments

##### iii. Interest rate risk

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

# MACKENZIE DEVELOPED MARKETS REAL ESTATE INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## NOTES TO FINANCIAL STATEMENTS

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

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

##### iv. Other price risk

The table below summarizes the ETF's exposure to other price risk.

Impact on net assets	Increased by 10%		Decreased by 10%	
	(\$)	(%)	(\$)	(%)
March 31, 2023	1,009	9.9	(1,009)	(9.9)
March 31, 2022	1,832	9.9	(1,832)	(9.9)

##### v. Credit risk

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

#### (f) Fair Value Classification

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

	March 31, 2023				March 31, 2022			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	10,074	11	–	10,085	18,319	–	–	18,319
Total	10,074	11	–	10,085	18,319	–	–	18,319

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 period ended March 31, 2023, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at March 31, 2023, these securities were classified as Level 2 (2022 – Level 2).

During the period ended March 31, 2023, equities with a fair value of \$11 (2022 – \$Nil) were transferred from Level 1 to Level 2 as a result of changes in the inputs used for valuation.

#### (g) Investments by the Manager and Affiliates

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

	March 31, 2023	March 31, 2022
	(\$)	(\$)
The Manager	–	–
Other funds managed by the Manager	–	–
Funds managed by affiliates of the Manager	7,796	11,091

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

As at March 31, 2023 and 2022, there were no amounts subject to offsetting.

#### (i) Interest in Unconsolidated Structured Entities

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