

WEALTHSIMPLE DEVELOPED MARKETS EX NORTH AMERICA SOCIALLY RESPONSIBLE 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 Wealthsimple Developed Markets ex North America Socially Responsible 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 Wealthsimple Developed Markets ex North America Socially Responsible 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.

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INDEPENDENT AUDITOR'S REPORT (cont'd)

Other Information

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

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

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

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

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

We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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



Chartered Professional Accountants, Licensed Public Accountants

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

Toronto, Ontario
June 5, 2023

WEALTHSIMPLE DEVELOPED MARKETS EX NORTH AMERICA SOCIALLY RESPONSIBLE INDEX ETF

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

STATEMENTS OF FINANCIAL POSITION

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

	2023	2022
	\$	\$
ASSETS		
Current assets		
Investments at fair value	515,173	470,373
Cash and cash equivalents	1,044	1,495
Dividends receivable	3,503	2,177
Accounts receivable for investments sold	–	–
Accounts receivable for units issued	–	–
Total assets	519,720	474,045
LIABILITIES		
Current liabilities		
Accounts payable for investments purchased	–	–
Accounts payable for units redeemed	–	–
Due to manager	127	119
Total liabilities	127	119
Net assets attributable to unitholders	519,593	473,926

	Net assets attributable to unitholders (note 3)			
	per unit		per series	
	2023	2022	2023	2022
Series E	26.92	27.55	519,593	473,926

STATEMENTS OF COMPREHENSIVE INCOME

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

	2023	2022
	\$	\$
Income		
Dividends	15,139	10,351
Interest income for distribution purposes	34	–
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(80,642)	30,792
Net unrealized gain (loss)	73,084	(77,311)
Securities lending income	132	40
Other	86	118
Total income (loss)	7,833	(36,010)
Expenses (note 6)		
Management fees	1,244	1,184
Interest charges	8	1
Commissions and other portfolio transaction costs	1,199	539
Independent Review Committee fees	1	1
Other	1	–
Expenses before amounts absorbed by Manager	2,453	1,725
Expenses absorbed by Manager	–	–
Net expenses	2,453	1,725
Increase (decrease) in net assets attributable to unitholders from operations before tax	5,380	(37,735)
Foreign withholding tax expense (recovery)	1,855	1,381
Foreign income tax expense (recovery)	–	–
Increase (decrease) in net assets attributable to unitholders from operations	3,525	(39,116)

	Increase (decrease) in net assets attributable to unitholders from operations (note 3)			
	per unit		per series	
	2023	2022	2023	2022
Series E	0.19	(2.80)	3,525	(39,116)

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

WEALTHSIMPLE DEVELOPED MARKETS EX NORTH AMERICA SOCIALLY RESPONSIBLE 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)

	Series E	
	2023	2022
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		
Beginning of period	473,926	334,646
Increase (decrease) in net assets from operations	3,525	(39,116)
Distributions paid to unitholders:		
Investment income	(10,260)	(4,928)
Capital gains	(466)	(38,486)
Total distributions paid to unitholders	(10,726)	(43,414)
Unit transactions:		
Proceeds from units issued	61,915	186,331
Reinvested distributions	466	38,486
Payments on redemption of units	(9,513)	(3,007)
Total unit transactions	52,868	221,810
Increase (decrease) in net assets attributable to unitholders	45,667	139,280
End of period	519,593	473,926
Increase (decrease) in units (in thousands) (note 7):	Units	
Units outstanding – beginning of period	17,200	11,200
Issued	2,500	6,100
Reinvested distributions	–	–
Redeemed	(400)	(100)
Units outstanding – end of period	19,300	17,200

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WEALTHSIMPLE DEVELOPED MARKETS EX NORTH AMERICA SOCIALLY RESPONSIBLE INDEX ETF

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STATEMENTS OF CASH FLOWS

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

	2023	2022
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to unitholders from operations	3,525	(39,116)
Adjustments for:		
Net realized loss (gain) on investments	80,400	(30,911)
Change in net unrealized loss (gain) on investments	(73,084)	77,311
Purchase of investments	(527,289)	(503,291)
Proceeds from sale and maturity of investments	475,059	318,087
(Increase) decrease in accounts receivable and other assets	(1,326)	(1,265)
Increase (decrease) in accounts payable and other liabilities	8	29
Net cash provided by (used in) operating activities	(42,707)	(179,156)
Cash flows from financing activities		
Proceeds from units issued	61,915	186,331
Payments on redemption of units	(9,513)	(3,007)
Distributions paid net of reinvestments	(10,260)	(4,928)
Net cash provided by (used in) financing activities	42,142	178,396
Net increase (decrease) in cash and cash equivalents	(565)	(760)
Cash and cash equivalents at beginning of period	1,495	2,228
Effect of exchange rate fluctuations on cash and cash equivalents	114	27
Cash and cash equivalents at end of period	1,044	1,495
Cash	1,044	1,495
Cash equivalents	–	–
Cash and cash equivalents at end of period	1,044	1,495
Supplementary disclosures on cash flow from operating activities:		
Dividends received	13,813	9,086
Foreign taxes paid	1,855	1,381
Interest received	34	–
Interest paid	8	1

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

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SCHEDULE OF INVESTMENTS

as at March 31, 2023

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
EQUITIES					
The a2 Milk Co. Ltd.	New Zealand	Consumer Staples	377,310	1,750	1,994
Addtech AB - B Shares	Sweden	Industrials	81,891	2,205	2,055
Admiral Group PLC	United Kingdom	Financials	15,965	489	544
Aéroports de Paris	France	Industrials	6,220	1,312	1,204
Ageas	Belgium	Financials	8,065	386	473
Airport City Ltd.	Israel	Real Estate	25,563	524	456
Ascendas Real Estate Investment Trust	Singapore	Real Estate	279,202	777	813
ASM International NV	Netherlands	Information Technology	2,977	1,618	1,628
ASML Holding NV	Netherlands	Information Technology	2,277	1,636	2,093
Assa Abloy AB B	Sweden	Industrials	54,429	1,751	1,764
Assicurazioni Generali SPA	Italy	Financials	28,677	562	775
Astellas Pharma Inc.	Japan	Health Care	159,861	3,046	3,061
AstraZeneca PLC	United Kingdom	Health Care	16,392	2,787	3,081
Auckland International Airport Ltd.	New Zealand	Industrials	233,696	1,436	1,722
Australia and New Zealand Banking Group Ltd.	Australia	Financials	26,252	625	546
Auto Trader Group PLC	United Kingdom	Communication Services	240,219	2,415	2,477
Avanza Bank Holding AB	Sweden	Financials	14,653	419	465
Aviva PLC	United Kingdom	Financials	68,264	436	462
AXA SA	France	Financials	14,403	451	596
Axfood AB	Netherlands	Consumer Staples	121,626	4,176	4,019
B&M European Value Retail SA	United Kingdom	Consumer Discretionary	498,901	2,744	4,025
Banca Mediolanum SPA	Italy	Financials	44,380	543	545
Banco Bilbao Vizcaya Argentaria SA	Spain	Financials	48,102	354	465
Banco Comercial Portugues SA	Portugal	Financials	1,720,423	331	516
Banco Santander SA	Spain	Financials	102,159	336	515
Bank Pekao SA	Poland	Financials	13,545	419	364
Barclays PLC	United Kingdom	Financials	151,517	389	370
Barratt Developments PLC	United Kingdom	Consumer Discretionary	389,037	2,864	3,037
BAWAG Group AG	Austria	Financials	6,045	361	397
BayCurrent Consulting Inc.	Japan	Industrials	21,716	1,190	1,203
Bayerische Motoren Werke (BMW) AG	Germany	Consumer Discretionary	27,110	3,162	4,024
Beiersdorf AG	Germany	Consumer Staples	27,373	3,711	4,828
Benefit One Inc.	Japan	Industrials	22,781	905	435
The Berkeley Group Holdings PLC	United Kingdom	Consumer Discretionary	8,250	463	579
BioMerieux SA	France	Health Care	15,521	2,108	2,214
BNP Paribas SA	France	Financials	5,434	344	441
Boliden AB	Sweden	Materials	130,554	5,434	6,948
Brambles Ltd.	Australia	Industrials	177,145	1,850	2,156
The British Land Co. PLC	United Kingdom	Real Estate	72,954	527	473
BT Group PLC	United Kingdom	Communication Services	947,480	2,159	2,312
Bunzl PLC	United Kingdom	Industrials	92,529	4,433	4,733
Burberry Group PLC	United Kingdom	Consumer Discretionary	78,929	2,273	3,415
CaixaBank SA	Spain	Financials	80,666	320	425
Capgemini SE	France	Information Technology	8,634	2,160	2,168
carsales.com Ltd.	Australia	Communication Services	103,920	1,970	2,085
Castellum AB	Sweden	Real Estate	26,115	728	410
The Chiba Bank Ltd.	Japan	Financials	62,134	441	540
Chow Tai Fook Jewellery Group Ltd.	Hong Kong	Consumer Discretionary	1,014,766	2,869	2,726
CNH Industrial NV	United Kingdom	Industrials	55,831	1,031	1,156
Cochlear Ltd.	Australia	Health Care	12,668	2,464	2,718
Coloplast AS	Denmark	Health Care	17,705	3,463	3,151
Commonwealth Bank of Australia	Australia	Financials	6,739	698	601
Compagnie Financière Richemont SA	Switzerland	Consumer Discretionary	18,371	2,833	3,971
Compass Group PLC	United Kingdom	Consumer Discretionary	101,185	3,079	3,442
Computershare Ltd.	Australia	Information Technology	88,200	2,005	1,726
ConvaTec Group PLC	United Kingdom	Health Care	748,317	2,694	2,863
COSMOS Pharmaceutical Corp.	Japan	Consumer Staples	27,823	3,732	3,372
Credit Agricole SA	France	Financials	31,820	387	486
Daimler AG	Germany	Consumer Discretionary	29,481	2,987	3,068
Daiwa Securities Group Inc.	Japan	Financials	122,977	826	777
Danone SA	France	Consumer Staples	58,131	3,966	4,898
Demant AS	Denmark	Health Care	55,142	2,437	2,614
Dentsu Inc.	Japan	Communication Services	32,127	1,508	1,519
Deutsche Bank AG Reg.	Germany	Financials	23,704	272	326

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SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2023

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
EQUITIES (cont'd)					
Deutsche Post AG Reg.	Germany	Industrials	29,857	1,793	1,892
DNB Bank ASA	Norway	Financials	19,694	494	477
DSV Panalpina AS	Denmark	Industrials	7,266	1,643	1,902
EDP Renovaveis SA	Spain	Utilities	283,734	8,232	8,798
Elisa OYJ	Finland	Communication Services	41,435	3,153	3,385
Entra ASA	Norway	Real Estate	30,052	617	393
Erste Group Bank AG	Austria	Financials	9,326	306	418
Experian PLC	United Kingdom	Industrials	36,092	1,526	1,606
Fabege AB	Sweden	Real Estate	38,243	623	397
FinecoBank Banca Fineco SpA	Italy	Financials	21,162	352	440
Fisher & Paykel Healthcare Corp. Ltd.	New Zealand	Health Care	119,147	2,063	2,689
Fletcher Building Ltd.	New Zealand	Industrials	2,106,895	8,698	7,778
Fortescue Metals Group Ltd.	Australia	Materials	304,884	4,961	6,215
Geberit AG	Switzerland	Industrials	2,955	1,974	2,229
Genmab AS	Denmark	Health Care	4,413	2,045	2,255
Getinge AB	Sweden	Health Care	75,749	2,516	2,498
Gjensidige Forsikring ASA	Norway	Financials	25,954	712	575
GMO Payment Gateway Inc.	Japan	Information Technology	3,936	492	455
Goodman Group	Australia	Real Estate	32,175	612	548
Hang Seng Bank Ltd.	Hong Kong	Financials	33,629	693	648
Hannover Rueckversicherung SE Reg.	Germany	Financials	2,097	478	556
Hargreaves Lansdown PLC	United Kingdom	Financials	31,344	423	419
Henkel AG & Co. KGaA Pfd.	Germany	Consumer Staples	45,128	3,888	4,781
Hennes & Mauritz AB B	Sweden	Consumer Discretionary	185,091	2,939	3,571
Hermes International	France	Consumer Discretionary	1,536	2,756	4,210
Holmen AB Class B Shares	Sweden	Materials	32,559	1,840	1,696
HSBC Holdings PLC	United Kingdom	Financials	63,230	512	582
Husqvarna AB-B	Sweden	Industrials	312,034	4,141	3,659
IDP Education Ltd.	Australia	Consumer Discretionary	88,997	2,290	2,203
Independence Group NL	Australia	Materials	475,829	5,078	5,508
Industria de Diseno Textil SA (Inditex)	Spain	Consumer Discretionary	81,824	2,925	3,718
Indutrade AB	Sweden	Industrials	48,125	1,338	1,382
Infratil Ltd.	New Zealand	Utilities	1,291,056	8,897	10,057
ING Groep NV	Netherlands	Financials	23,385	299	376
Intesa Sanpaolo SPA	Italy	Financials	160,873	384	560
Isetan Mitsukoshi Holdings Ltd.	Japan	Consumer Discretionary	233,135	2,926	3,513
ITOCHU Techno-Solutions Corp.	Japan	Information Technology	61,522	2,554	2,036
James Hardie Industries PLC	Ireland	Materials	277,253	9,129	7,999
Japan Post Bank Co. Ltd.	Japan	Financials	64,532	647	711
Japan Post Holdings Co. Ltd.	Japan	Financials	67,291	625	737
Japan Post Insurance Co. Ltd.	Japan	Financials	25,947	536	545
Johnson Matthey PLC	United Kingdom	Materials	41,363	1,567	1,373
Kering	France	Consumer Discretionary	4,141	3,012	3,653
Kesko OYJ Class B	Finland	Consumer Staples	121,220	3,274	3,530
Kingfisher PLC	United Kingdom	Consumer Discretionary	740,836	2,881	3,238
Kingspan Group PLC	Ireland	Industrials	15,666	1,333	1,452
Knorr-Bremse AG	Germany	Industrials	19,994	2,417	1,802
Kobayashi Pharmaceutical Co. Ltd.	Japan	Consumer Staples	32,890	2,871	2,706
Koei Tecmo Holdings Co. Ltd.	Japan	Communication Services	84,520	2,147	2,052
Kone OYJ B	Finland	Industrials	26,815	2,354	1,893
Kose Corp.	Japan	Consumer Staples	19,754	2,743	3,150
L E Lundbergforetagen AB Class B	Sweden	Financials	10,014	657	613
Land Securities Group PLC	United Kingdom	Real Estate	47,271	516	491
Lasertec Corp.	Japan	Information Technology	6,210	1,116	1,470
Legal & General Group PLC	United Kingdom	Financials	97,554	407	390
Legrand SA	France	Industrials	21,174	2,505	2,618
Lifco AB	Sweden	Industrials	54,959	1,433	1,600
Lloyds Banking Group PLC	United Kingdom	Financials	583,066	421	465
London Stock Exchange Group PLC	United Kingdom	Financials	4,849	593	638
L'Oréal SA	France	Consumer Staples	7,353	3,501	4,446
Mapfre SA	Spain	Financials	211,808	502	579
Medibank Private Ltd.	Australia	Financials	248,958	754	758
Mediobanca SPA	Italy	Financials	40,500	456	552
Meridian Energy Ltd.	New Zealand	Utilities	1,896,418	7,924	8,430

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SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2023

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
EQUITIES (cont'd)					
Metso Outotec OYJ	Finland	Industrials	87,129	1,127	1,286
Mirvac Group Stapled Securities	Australia	Real Estate	249,883	467	471
Mitsubishi UFJ Financial Group Inc.	Japan	Financials	76,800	539	662
Miura Co. Ltd.	Japan	Industrials	54,438	2,426	1,871
Moncler SPA	Italy	Consumer Discretionary	36,623	2,192	3,422
Monotaro Co. Ltd.	Japan	Industrials	153,621	3,783	2,588
Mowi ASA	Norway	Consumer Staples	123,960	2,878	3,098
MS&AD Insurance Group Holdings Inc.	Japan	Financials	17,983	749	751
National Australia Bank Ltd.	Australia	Financials	21,687	602	545
Natwest Group PLC	United Kingdom	Financials	99,385	457	438
Next PLC	United Kingdom	Consumer Discretionary	30,271	3,120	3,329
NGK Spark Plug Co. Ltd.	Japan	Consumer Discretionary	66,928	1,712	1,862
Nibe Industrier AB	Sweden	Industrials	222,204	2,808	3,416
Nippon Shinyaku Co. Ltd.	Japan	Health Care	36,153	3,351	2,143
NN Group NV	Netherlands	Financials	9,912	593	488
Nokia OYJ	Finland	Information Technology	280,627	1,940	1,863
Nomura Holdings Inc.	Japan	Financials	122,627	598	636
Nordea Bank ABP (EUR Shares)	Finland	Financials	38,680	582	560
Nova Measuring Instruments Ltd.	Israel	Information Technology	13,908	1,693	1,944
Novartis AG Reg.	Switzerland	Health Care	35,669	4,002	4,426
Novo Nordisk AS B	Denmark	Health Care	16,685	1,812	3,576
NTT Data Corp.	Japan	Information Technology	86,247	1,660	1,519
Obayashi Corp.	Japan	Industrials	457,885	4,213	4,717
OBIC Business Consultants Co. Ltd.	Japan	Information Technology	43,837	2,342	2,224
Orion OYJ	Finland	Health Care	35,805	2,006	2,168
Orkla ASA	Norway	Consumer Staples	422,876	4,887	4,058
Oversea-Chinese Banking Corp. Ltd.	Singapore	Financials	76,566	866	964
Pandora AS	Denmark	Consumer Discretionary	28,722	3,603	3,716
Partners Group Holding AG	Switzerland	Financials	447	599	567
Pearson PLC	United Kingdom	Consumer Discretionary	197,059	2,726	2,784
Persimmon PLC	United Kingdom	Consumer Discretionary	128,324	3,408	2,697
Plus500 Ltd.	Israel	Financials	17,822	495	505
Pola Orbis Holdings Inc.	Japan	Consumer Staples	177,026	3,674	3,100
Poste Italiane SPA	Italy	Financials	39,238	433	543
Prada SPA	Italy	Consumer Discretionary	279,456	2,083	2,681
Prosus NV	Netherlands	Consumer Discretionary	14,574	955	1,542
Proximus SA	Belgium	Communication Services	151,956	3,039	1,987
Prysmian SPA	Italy	Industrials	30,702	1,317	1,747
QBE Insurance Group Ltd.	Australia	Financials	39,340	418	520
Raiffeisen International Bank-Holding AG	Austria	Financials	17,865	353	372
RAKUS Co. Ltd.	Japan	Information Technology	71,858	1,491	1,387
Rea Group Ltd.	Australia	Communication Services	16,919	1,846	2,117
Reckitt Benckiser Group PLC	United Kingdom	Consumer Staples	44,009	4,011	4,535
Recruit Holdings Co. Ltd.	Japan	Industrials	42,355	1,952	1,572
RELX PLC	United Kingdom	Industrials	53,479	2,039	2,343
Resona Holdings Inc.	Japan	Financials	87,586	438	570
Rightmove PLC	United Kingdom	Communication Services	231,952	2,266	2,185
Roche Holding AG Genussscheine	United States	Health Care	8,660	3,692	3,348
The Sage Group PLC	United Kingdom	Information Technology	196,953	2,532	2,554
Salmar ASA	Norway	Consumer Staples	47,904	3,258	2,822
Sampo OYJ A	Finland	Financials	8,574	477	548
Sanofi	France	Health Care	27,416	3,246	4,041
Santander Bank Polska SA	Poland	Financials	4,420	293	405
Sartorius AG Pfd.	Germany	Health Care	3,716	1,994	2,114
Sartorius Stedim Biotech SA	France	Health Care	4,448	2,354	1,844
Schindler Holding AG PC	Switzerland	Industrials	7,867	2,243	2,355
Schroders PLC	United Kingdom	Financials	71,899	569	553
Securitas AB B	Sweden	Industrials	126,270	1,712	1,521
Segro PLC	United Kingdom	Real Estate	44,413	702	570
Sekisui Chemical Co. Ltd.	Japan	Consumer Discretionary	100,342	1,783	1,914
Sekisui House Ltd.	Japan	Consumer Discretionary	30,187	760	828
Shimadzu Corp.	Japan	Information Technology	76,264	3,315	3,211
Sika AG	Switzerland	Materials	4,862	1,836	1,840
Skandinaviska Enskilda Banken AB (SEB) A	Sweden	Financials	34,750	569	519

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SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2023

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
EQUITIES (cont'd)					
Société Générale	France	Financials	10,317	307	315
Sodexo SA	France	Consumer Discretionary	24,298	3,186	3,218
Softbank Corp.	Japan	Communication Services	236,171	3,696	3,672
Sompo Japan Nipponkoa Holdings Inc.	Japan	Financials	10,933	566	584
So-net M3 Inc.	Japan	Health Care	46,763	2,650	1,570
Sonic Healthcare Ltd.	Australia	Health Care	106,285	3,266	3,356
Sony Corp.	Japan	Consumer Discretionary	21,495	2,518	2,620
SpareBank 1 SR-Bank ASA	Norway	Financials	30,577	485	478
Spark New Zealand Ltd.	New Zealand	Communication Services	650,107	2,735	2,785
St James's Place PLC	United Kingdom	Financials	27,292	521	553
Standard Chartered PLC	United Kingdom	Financials	41,890	397	431
Standard Life Aberdeen PLC	United Kingdom	Financials	134,159	352	457
Storebrand ASA	Norway	Financials	39,075	453	406
Straumann Holding AG	Switzerland	Health Care	13,562	2,323	2,739
Suncorp Group Ltd.	Australia	Financials	51,511	530	565
Svenska Cellulosa AB (SCA) B	Sweden	Materials	94,450	1,861	1,682
Svenska Handelsbanken AB A	Sweden	Financials	42,651	493	500
The Swatch Group AG	Switzerland	Consumer Discretionary	9,161	3,113	4,253
Swedbank AB	Sweden	Financials	24,039	492	534
Swedish Orphan Biovitrum AB	Sweden	Health Care	72,193	1,891	2,275
Swiss Re Ltd.	Switzerland	Financials	4,374	435	608
Swisscom AG Reg.	Switzerland	Communication Services	4,663	3,313	4,029
Talanx AG	Germany	Financials	8,626	414	542
Taylor Wimpey PLC	United Kingdom	Consumer Discretionary	1,556,077	2,978	3,097
Tele2 AB	Sweden	Communication Services	223,210	3,483	3,008
Telefonica Deutschland Holding AG	Germany	Communication Services	677,582	2,242	2,826
Telefonica SA	Spain	Communication Services	393,744	2,175	2,300
Terna SPA	Italy	Utilities	938,303	9,219	10,437
Thule Group AB	Sweden	Consumer Discretionary	94,470	5,439	3,140
Toei Animation Co. Ltd.	Japan	Communication Services	22,496	3,269	3,010
Tokyo Broadcasting System Inc.	Japan	Communication Services	266,612	4,200	5,165
Tokyo Electron Ltd.	Japan	Information Technology	11,070	1,608	1,806
Tomra Systems ASA	Norway	Industrials	52,097	1,711	1,185
Tryg AS	Denmark	Financials	23,659	684	700
UBS Group AG	Switzerland	Financials	21,232	440	607
¹ Umicore SA	Belgium	Materials	137,198	6,644	6,296
UniCredit SPA	Italy	Financials	19,592	261	502
Unilever PLC (London Exchange)	United Kingdom	Consumer Staples	62,439	3,954	4,378
UnipolSai SPA	Italy	Financials	222,946	657	763
United Utilities Group PLC	United Kingdom	Utilities	574,873	9,974	10,196
USS Co. Ltd.	Japan	Consumer Discretionary	226,489	5,038	5,286
Vienna Insurance Group AG	Austria	Financials	19,921	592	725
Volvo AB Class B	Sweden	Industrials	60,262	1,650	1,682
Wallenstam AB	Sweden	Real Estate	78,157	675	400
Warehouses De Pauw SCA	Belgium	Real Estate	13,478	605	541
Westpac Banking Corp.	Australia	Financials	26,984	530	530
Wolters Kluwer NV	Netherlands	Industrials	20,447	2,898	3,498
Workman Co. Ltd.	Japan	Consumer Discretionary	58,866	4,089	3,352
WPP PLC	United Kingdom	Communication Services	97,049	1,339	1,557
Yamada Denki Co. Ltd.	Japan	Consumer Discretionary	909,814	4,059	4,219
Zurich Insurance Group AG	Switzerland	Financials	1,129	637	732
Total equities				490,998	515,173
Transaction costs				(866)	–
Total investments				490,132	515,173
Cash and cash equivalents					1,044
Other assets less liabilities					3,376
Net assets attributable to unitholders					519,593

¹ The issuer of this security is related to Mackenzie. See Note 1.

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SUMMARY OF INVESTMENT PORTFOLIO

MARCH 31, 2023

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

REGIONAL ALLOCATION	% OF NAV
Japan	17.5
United Kingdom	16.0
Sweden	9.6
France	7.0
New Zealand	6.8
Australia	6.4
Switzerland	6.1
Other	6.0
Germany	5.1
Italy	4.4
Denmark	3.4
Spain	3.2
Finland	2.9
Norway	2.6
Ireland	2.1
Other assets (liabilities)	0.6
Cash and short-term investments	0.3

SECTOR ALLOCATION	% OF NAV
Consumer discretionary	20.5
Industrials	15.0
Health care	11.7
Consumer staples	11.5
Communication services	9.3
Utilities	9.2
Financials	8.2
Materials	7.6
Information technology	5.0
Real estate	1.1
Other assets (liabilities)	0.6
Cash and short-term investments	0.3

MARCH 31, 2022

PORTFOLIO ALLOCATION	% OF NAV
Equities	99.3
Other assets (liabilities)	0.4
Cash and short-term investments	0.3

REGIONAL ALLOCATION	% OF NAV
Japan	25.7
Sweden	22.9
Germany	7.6
Denmark	7.2
Norway	6.7
Finland	6.0
Spain	4.7
Switzerland	3.5
Israel	3.0
Ireland	2.5
Other	2.4
France	2.1
Italy	1.9
Belgium	1.6
United Kingdom	1.5
Other assets (liabilities)	0.4
Cash and short-term investments	0.3

SECTOR ALLOCATION	% OF NAV
Consumer staples	18.4
Health care	14.6
Industrials	14.6
Consumer discretionary	14.1
Financials	9.8
Communication services	8.1
Materials	7.5
Information technology	6.0
Utilities	4.5
Real estate	1.7
Other assets (liabilities)	0.4
Cash and short-term investments	0.3

WEALTHSIMPLE DEVELOPED MARKETS EX NORTH AMERICA SOCIALLY RESPONSIBLE INDEX ETF

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NOTES TO FINANCIAL STATEMENTS

1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the 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 together with Wealthsimple Inc., are the promoters of the ETF. Mackenzie is wholly owned by IGM Financial Inc., a subsidiary of Power Corporation of Canada. IGM Financial Inc. is also the largest shareholder in Wealthsimple Inc. 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.

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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.

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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.

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.

WEALTHSIMPLE DEVELOPED MARKETS EX NORTH AMERICA SOCIALLY RESPONSIBLE INDEX ETF

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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.

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9. Financial Instruments Risk (cont'd)

v. Other price risk

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

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

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

vi. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the ETF. Note 11 summarizes the ETF's exposure, if applicable and significant, to credit risk.

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

To minimize the possibility of settlement default, securities are exchanged for payment simultaneously, where market practices permit, through the facilities of a central depository and/or clearing agency where customary.

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

vii. Underlying ETFs

The ETF may invest in underlying ETFs and may be indirectly exposed to currency risk, interest rate risk, other price risk and credit risk from fluctuations in the value of financial instruments held by the underlying ETFs. Note 11 summarizes the ETF's exposure, if applicable and significant, to these risks from underlying ETF.

10. Other Information

Abbreviations

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

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

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NOTES TO FINANCIAL STATEMENTS

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

(a) ETF Formation and Series Information

Date of Formation: April 21, 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.

Series E units were listed on the TSX under the symbol WSRD. 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 \$26.96 (2022 – \$27.32).

The management fee rate for Series E units is 0.25%.

As at March 31, 2023, the ETF's NAV per unit was \$26.92 (2022 – \$27.35) and its Net Assets per unit calculated in accordance with IFRS was \$26.92 (2022 – \$27.55).

(b) Tax Loss Carryforwards

Expiration Date of Non-Capital Losses

Total Capital Loss \$	Total Non-Capital Loss \$	2029 \$	2030 \$	2031 \$	2032 \$	2033 \$	2034 \$	2035 \$	2036 \$	2037 \$	2038 \$	2039 \$	2040 \$	2041 \$	2042 \$
73,417	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

(c) Securities Lending

	March 31, 2023	March 31, 2022
	(\$)	(\$)
Value of securities loaned	9,489	18,839
Value of collateral received	10,070	20,880

	March 31, 2023		March 31, 2022	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	163	100.0	49	100.0
Tax withheld	(2)	(1.2)	–	–
	161	98.8	49	100.0
Payments to Securities Lending Agent	(29)	(17.8)	(9)	(18.4)
Securities lending income	132	81.0	40	81.6

(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 Wealthsimple DM ex NA Socially Responsible Factor Index, or any successor thereto. It invests primarily in equity securities of companies in Europe, Australasia and the Far East with the goal of achieving diversified exposure to companies that do not violate commonly held social and environmental values.

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NOTES TO FINANCIAL STATEMENTS

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

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

ii. Currency risk

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

Currency	March 31, 2023				Impact on net assets			
	Investments	Cash and Short-Term Investments	Derivative Instruments	Net Exposure*	Strengthened by 5%		Weakened by 5%	
	(\$)	(\$)	(\$)	(\$)	(\$)	%	(\$)	%
EUR	139,388	72	–	139,460				
JPY	91,121	9	–	91,130				
GBP	84,177	20	–	84,197				
SEK	49,754	1	–	49,755				
AUD	41,167	183	–	41,350				
NZD	35,455	–	–	35,455				
CHF	31,704	24	–	31,728				
DKK	17,914	6	–	17,920				
NOK	13,492	46	–	13,538				
HKD	6,055	–	–	6,055				
ILS	2,400	(8)	–	2,392				
SGD	1,777	2	–	1,779				
PLN	769	–	–	769				
USD	–	10	–	10				
Total	515,173	365	–	515,538				
% of Net Assets	99.1	0.1	–	99.2				
Total currency rate sensitivity					(25,777)	(5.0)	25,777	5.0

Currency	March 31, 2022				Impact on net assets			
	Investments	Cash and Short-Term Investments	Derivative Instruments	Net Exposure*	Strengthened by 5%		Weakened by 5%	
	(\$)	(\$)	(\$)	(\$)	(\$)	%	(\$)	%
JPY	121,366	105	–	121,471				
EUR	119,215	6	–	119,221				
SEK	108,641	203	–	108,844				
DKK	33,964	39	–	34,003				
NOK	31,880	–	–	31,880				
CHF	16,374	–	–	16,374				
ILS	14,041	–	–	14,041				
AUD	7,907	–	–	7,907				
GBP	7,320	–	–	7,320				
PLN	3,971	–	–	3,971				
USD	3,733	–	–	3,733				
HKD	1,961	–	–	1,961				
Total	470,373	353	–	470,726				
% of Net Assets	99.3	0.1	–	99.4				
Total currency rate sensitivity					(23,536)	(5.0)	23,536	5.0

* Includes both monetary and non-monetary financial instruments

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

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

iii. Interest rate risk

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

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	51,517	9.9	(51,517)	(9.9)
March 31, 2022	47,037	9.9	(47,037)	(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	515,173	–	–	515,173	470,373	–	–	470,373
Total	515,173	–	–	515,173	470,373	–	–	470,373

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

As at March 31, 2023 and 2022, there were no investments by the Manager and affiliates in the ETF.

(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.