

## **Annual Management Report of Fund Performance**

*For the Year Ended March 31, 2023*

*This Annual Management Report of Fund Performance contains financial highlights but does not contain the complete annual financial statements of the exchange-traded fund ("ETF"). You may obtain a copy of the annual financial statements, at no cost, by calling the toll-free number 1-800-387-0614, by writing to us at Mackenzie Financial Corporation, 180 Queen Street West, Toronto, Ontario M5V 3K1, by visiting our website at [www.mackenzieinvestments.com](http://www.mackenzieinvestments.com) or by visiting the SEDAR website at [www.sedar.com](http://www.sedar.com). Unitholders may also contact us using one of these methods to request a copy of the ETF's interim financial report, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure. For more information, please refer to the ETF's Prospectus and ETF Facts, which may also be obtained, at no cost, using any of the methods outlined above.*

*For the ETF's current net asset value per unit and for more recent information on general market events, please visit our website.*

### **A NOTE ON FORWARD-LOOKING STATEMENTS**

*This report may contain forward-looking statements that reflect our current expectations or forecasts of future events. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", "preliminary", "typical" and other similar expressions. In addition, these statements may relate to future corporate actions, future financial performance of a fund or a security and their future investment strategies and prospects. Forward-looking statements are inherently subject to, among other things, risks, uncertainties and assumptions that could cause actual events, results, performance or prospects to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, the volatility of global equity and capital markets, business competition, technological change, changes in government regulations, changes in securities laws and regulations, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, outbreaks of disease or pandemics (such as COVID-19), and the ability of Mackenzie to attract or retain key employees. The foregoing list of important risks, uncertainties and assumptions is not exhaustive. Please consider these and other factors carefully and do not place undue reliance on forward-looking statements.*

*The forward-looking information contained in this report is current only as of the date of this report. There should not be an expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.*



# MACKENZIE GROWTH ALLOCATION ETF

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## Management Discussion of Fund Performance

June 5, 2023

This Management Discussion of Fund Performance presents the portfolio management team's view on the significant factors and developments that have affected the ETF's performance and outlook in the year ended March 31, 2023 (the "period"). If the ETF was established during the period, "period" represents the period since inception.

In this report, "Mackenzie" and "the Manager" refer to Mackenzie Financial Corporation, the manager of the ETF. In addition, net asset value ("NAV") refers to the value of the ETF as calculated for subscription and redemption purposes, on which the discussion of ETF performance is based.

Please read *A Note on Forward-Looking Statements* on the first page of this document.

### Investment Objective and Strategies

The ETF seeks long-term capital growth by investing in global equity and fixed income securities. The ETF is expected to gain this exposure through investing in other exchange-traded funds.

### Risk

The risks of the ETF remain as discussed in the ETF's Prospectus.

The ETF is suitable for medium- to long-term investors looking for long-term capital growth through holding a managed asset portfolio fund as part of their portfolio, who can handle the volatility of stock and bond markets, and who have a low to medium tolerance for risk.

### Results of Operations

#### Investment Performance

During the period, the ETF returned -1.8% (after deducting fees and expenses). This compares with a return of -0.1% for the ETF's broad-based index, the S&P 500 Index, and a return of -0.3% for a blended index.\* All index returns are calculated on a total return basis in Canadian dollar terms. Investors cannot invest in an index without incurring fees, expenses and commissions, which are not reflected in the index returns.

Global and Canadian equities fell over the period in local currency terms, driven lower by rising interest rates, volatile commodity prices and forecasts of economic weakness. Employment remained strong, and persistently high inflation led many global central banks to raise their policy rates significantly. Higher interest rates contributed to a crisis in the U.S. banking system in March. In Canada, consumer spending was resilient. In fixed income, global yields rose sharply, and Government of Canada bond yields increased, particularly among shorter-term bonds. Volatility in fixed income markets was heightened by the magnitude of central bank policy actions and by geopolitical tensions.

The ETF underperformed both the broad-based index and the blended index, with the portfolio of fixed income ETFs underperforming the fixed income portion of the blended index and the portfolio of equity ETFs underperforming the equity portion of the blended index. Given the ETF's mandate, the return of the blended index is a more meaningful comparison.

\* The blended index is composed of a 36.0% weighting in the S&P 500 Index (returned -0.1%), a 24.0% weighting in the S&P/TSX Composite Index (returned -5.2%), a 14.4% weighting in the MSCI EAFE (Net) Index (returned 6.7%), an 11.8% weighting in the FTSE Canada Universe Bond Index (returned -2.0%), a 5.6% weighting in the MSCI Emerging Markets (Net) Index (returned -3.4%), a 4.6% weighting in the Bloomberg US Aggregate Bond Index (returned 3.0%), a 3.2% weighting in the Bloomberg GDP Global Aggregate Developed Market ex US (Hedged to USD) Index (returned 2.4%) and a 0.4% weighting in the J.P. Morgan GBI-EM Global Core Index (returned 7.3%).

Among the underlying ETFs, Mackenzie Canadian Equity Index ETF and Mackenzie US Large Cap Equity Index ETF were the largest detractors from the ETF's absolute performance. Mackenzie International Equity Index ETF and Mackenzie Emerging Markets Local Currency Bond Index ETF were the largest contributors to absolute performance.

Over the period, neither portfolio activity nor market developments significantly changed the positioning of the ETF.

### Net Assets

The ETF's net assets increased by 70.5% during the period to \$18.1 million. This change was composed primarily of \$0.2 million in net income (including any interest and/or dividend income) from investment performance, after deducting fees and expenses, and an increase of \$7.3 million due to net unitholder activity (including sales, redemptions and cash distributions).

At March 31, 2023, 25.1% of the ETF's NAV was held by investors that individually owned 10% or more of the ETF. As a result of these investments, the ETF is subject to large transaction risk as discussed in the Prospectus. Mackenzie manages this risk to reduce the possibility of any adverse effect on the ETF or on its investors, through such processes as settling transactions in kind, charging creation and/or redemption fees for transactions settling in cash, and establishing appropriate order cut-off times for transactions.

### Recent Developments

Late in the period, global economic growth picked up, supported by a warm winter in Europe and the end of China's "zero-COVID-19" policy. The portfolio management team expects that over the coming months, the U.S. economy will continue overheating and the global macroeconomic environment will remain one of high inflation and resilient growth. The team believes China's reopening, if successful, will both keep global inflation elevated and support the global economy. At period-end, improving Purchasing Managers' Index and transportation data suggested the Chinese economy was strengthening slowly but surely.

The team believes that as a result of the March banking crisis, the U.S. Federal Reserve will be more hesitant to aggressively raise interest rates to bring inflation down. In Canada, if inflation remains above 2%, strong employment continues and the housing market responds to the pause in the Bank of Canada's cycle of interest rate increases, the team does not expect lower rates despite market expectations for cuts in summer 2023.

Effective March 31, 2023, KPMG LLP was appointed as the auditor of the ETF.

### Related Party Transactions

#### Management Fees

The management expense ratio ("MER") for the ETF during the year ended March 31, 2023, was similar to the MER for the year ended March 31, 2022. Total expenses paid vary from period to period mainly as a result of changes in average assets in the ETF. The MERs are presented in the *Financial Highlights* section of this report. The ETF paid management fees to the Manager at the annual rate of 0.17%.

The management fee for the ETF is calculated and accrued daily as a percentage of its NAV. The ETF's management fees were used by the Manager to pay for the costs of managing the investment portfolio of the ETF, including providing investment analysis and recommendations, making investment decisions, making brokerage arrangements for the purchase and sale of the investment portfolio and providing other services, and to pay for all costs and expenses (other than certain specified fund costs as more fully described in the Prospectus) required to operate the ETF.

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## Other Related Party Transactions

During the period, the ETF received \$0.01 million in income distributions from investments in other ETFs managed by Mackenzie to offset fees paid within those ETFs. There is no assurance that these distributions will continue in the future.

The Manager relied on an approval provided by the Mackenzie Funds' Independent Review Committee to appoint KPMG LLP as the auditor of the ETF, effective March 31, 2023.

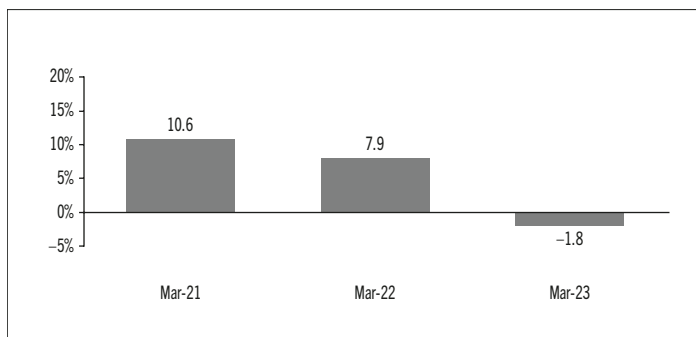
## Past Performance

The ETF's past performance information is presented in the following chart and table. It assumes all distributions made by the ETF in the periods presented are reinvested in additional units of the ETF. The chart and table do not take into account brokerage commissions or income taxes payable by any investor that would have reduced returns. The past performance of the ETF is not necessarily an indication of how it will perform in the future.

If you hold this ETF outside of a registered plan, income and capital gains distributions paid to you increase your income for tax purposes whether paid to you in cash or reinvested in additional units of the ETF. The amount of reinvested taxable distributions is added to the adjusted cost base of the units that you own. This would decrease your capital gain or increase your capital loss when you later sell from the ETF, thereby ensuring that you are not taxed on this amount again. Please consult your tax advisor regarding your personal tax situation.

## Year-by-Year Returns

The following bar chart presents the performance of the ETF for each of the fiscal periods shown. The chart shows, in percentage terms, how much an investment made on the first day of each fiscal period, or on the ETF's inception date (September 29, 2020), as applicable, would have increased or decreased by the last day of the fiscal period presented.



## Annual Compound Returns

The following table compares the historical annual compound total returns for the ETF with the relevant index or indices shown below for each of the periods ended March 31, 2023. Investors cannot invest in an index without incurring fees, expenses and commissions, which are not reflected in these performance figures.

All index returns are calculated in Canadian dollars on a total return basis, meaning that all dividend payments, interest income accruals and interest payments are reinvested.

Percentage Return:	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Mackenzie Growth Allocation ETF	-1.8	n/a	n/a	n/a	6.6
Blended Index	-0.3	n/a	n/a	n/a	7.1
S&P 500 Index*	-0.1	n/a	n/a	n/a	10.9
S&P/TSX Composite Index	-5.2	n/a	n/a	n/a	12.2
MSCI EAFE (Net) Index	6.7	n/a	n/a	n/a	7.6
FTSE Canada Universe Bond Index	-2.0	n/a	n/a	n/a	-4.5
MSCI Emerging Markets (Net) Index	-3.4	n/a	n/a	n/a	-0.3
Bloomberg US Aggregate Bond Index	3.0	n/a	n/a	n/a	-4.3
Bloomberg GDP Global Aggregate Developed Market ex US (Hedged to USD) Index	2.4	n/a	n/a	n/a	-4.1
J.P. Morgan GBI-EM Global Core Index	7.3	n/a	n/a	n/a	-1.9

\* Broad-based index

The blended index is composed of 36.0% S&P 500 Index, 24.0% S&P/TSX Composite Index, 14.4% MSCI EAFE (Net) Index, 11.8% FTSE Canada Universe Bond Index, 5.6% MSCI Emerging Markets (Net) Index, 4.6% Bloomberg US Aggregate Bond Index, 3.2% Bloomberg GDP Global Aggregate Developed Market ex US (Hedged to USD) Index and 0.4% J.P. Morgan GBI-EM Global Core Index.

The S&P 500 Index is a market capitalization weighted index of 500 widely held securities, designed to measure broad U.S. equity performance.

The S&P/TSX Composite Index is a capitalization weighted index that represents some of the largest float adjusted stocks trading on the Toronto Stock Exchange.

The MSCI EAFE (Net) Index represents large- and mid-cap equity performance across 21 developed markets, excluding the United States and Canada. Net total returns are calculated after the deduction of withholding tax from the foreign income and dividends of its constituents.

The FTSE Canada Universe Bond Index is a broad measure of Canadian bonds with terms to maturity of more than one year. It includes federal, provincial, municipal and corporate bonds rated "BBB" or higher.

The MSCI Emerging Markets (Net) Index represents large- and mid-cap equity performance across 24 emerging markets. Net total returns are calculated after the deduction of withholding tax from the foreign income and dividends of its constituents.

The Bloomberg US Aggregate Bond Index comprises investment grade government bonds, corporate bonds, asset-backed securities, commercial mortgage-backed securities and mortgage pass-through securities that have at least one year to maturity.

The Bloomberg GDP Global Aggregate Developed Market ex US (Hedged to USD) Index is a gross domestic product weighted index comprising global investment grade debt including treasury, government-related, corporate and securitized fixed-rate bonds from issuers in developed markets, excluding bonds issued in the United States or denominated in U.S. dollars. The foreign currency exposure is hedged to the U.S. dollar.

The J.P. Morgan GBI-EM Global Core Index is designed to track the performance of bonds issued in local currencies by governments in 19 emerging markets.

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## Summary of Investment Portfolio at March 31, 2023

EFFECTIVE PORTFOLIO ALLOCATION	% OF NAV
Equities	80.0
Bonds	18.4
Other assets (liabilities)	1.4
Cash and short-term investments	0.2

EFFECTIVE REGIONAL ALLOCATION	% OF NAV
United States	40.0
Canada	34.1
Other	6.0
Japan	3.9
United Kingdom	2.4
France	2.1
Hong Kong	1.9
Switzerland	1.5
Germany	1.5
Other assets (liabilities)	1.4
Australia	1.3
Netherlands	0.9
Taiwan	0.8
India	0.7
South Korea	0.7
Italy	0.6
Cash and short-term investments	0.2

EFFECTIVE SECTOR ALLOCATION	% OF NAV
Financials	15.4
Information technology	13.6
Industrials	9.2
Health care	7.5
Consumer discretionary	7.0
Energy	6.5
Materials	5.5
Consumer staples	5.4
Communication services	5.4
Foreign government bonds	4.8
Corporate bonds	4.5
Federal bonds	4.3
Provincial bonds	4.2
Other	2.5
Utilities	2.5
Other assets (liabilities)	1.4
Cash and short-term investments	0.2
Mortgage backed	0.1

The effective allocation shows the portfolio, regional or sector exposure of the ETF calculated by combining its direct and indirect investments.

## TOP 25 POSITIONS

Issuer/Underlying Fund	% OF NAV
Mackenzie US Large Cap Equity Index ETF	36.6
Mackenzie Canadian Equity Index ETF	22.8
Mackenzie International Equity Index ETF	15.4
Mackenzie Canadian Aggregate Bond Index ETF	11.7
Mackenzie Emerging Markets Equity Index ETF	5.4
Mackenzie U.S. Aggregate Bond Index ETF (CAD-Hedged)	4.4
Mackenzie Developed ex-North America Aggregate Bond Index ETF (CAD-Hedged)	3.1
Mackenzie Emerging Markets Local Currency Bond Index ETF	0.4
Cash and short-term investments	—
<b>Top long positions as a percentage of total net asset value</b>	<b>99.8</b>

The ETF held no direct short positions at the end of the period.

For the prospectus and other information about the underlying fund(s) held in the portfolio, visit [www.mackenzieinvestments.com](http://www.mackenzieinvestments.com) or [www.sedar.com](http://www.sedar.com).

The investments and percentages may have changed since March 31, 2023, due to the ongoing portfolio transactions of the ETF. Quarterly updates of holdings are available within 60 days of the end of each quarter except for March 31, the ETF's fiscal year-end, when they are available within 90 days.

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## Financial Highlights

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for each of the fiscal periods presented below. In the period when the ETF was established, "period" represents the period from inception to the end of that fiscal period. The inception date can be found under *Past Performance*.

### THE ETF'S NET ASSETS PER SECURITY (\$)¹

CAD Units (Ticker: MGRW)	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021
<b>Net assets, beginning of period</b>	23.60	22.30	20.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.48	0.45	0.28
Total expenses	(0.04)	(0.04)	(0.02)
Realized gains (losses) for the period	0.16	0.43	0.14
Unrealized gains (losses) for the period	(0.34)	0.56	1.49
<b>Total increase (decrease) from operations²</b>	0.26	1.40	1.89
<b>Distributions:</b>			
From net investment income (excluding Canadian dividends)	(0.23)	(0.26)	(0.17)
From Canadian dividends	(0.10)	(0.16)	(0.04)
From capital gains	(0.17)	(0.30)	(0.07)
Return of capital	–	–	–
<b>Total annual distributions³</b>	(0.50)	(0.72)	(0.28)
<b>Net assets, end of period</b>	22.64	23.60	22.30

(1) These calculations are prescribed by securities regulations and are not intended to be a reconciliation between opening and closing net assets per unit. This information is derived from the ETF's audited annual financial statements. The net assets per unit presented in the financial statements may differ from the net asset value per unit calculated for ETF pricing purposes. An explanation of these differences, if any, can be found in the *Notes to Financial Statements*.

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the fiscal period.

(3) Distributions were paid in cash/reinvested in additional units of the ETF, or both.

## RATIOS AND SUPPLEMENTAL DATA

CAD Units (Ticker: MGRW)	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021
Total net asset value (\$000)¹	18,113	10,621	5,575
Units outstanding (000)¹	800	450	250
Management expense ratio (%)²	0.19	0.19	0.20
Management expense ratio before waivers or absorptions (%)²	0.19	0.20	0.20
Trading expense ratio (%)³	0.01	0.01	–
Trading expense ratio before reimbursements (%)³	0.01	0.01	–
Portfolio turnover rate (%)⁴	0.22	28.71	n/a
Net asset value per unit (\$)	22.64	23.60	22.30
Closing market price (\$)⁵	22.67	23.61	22.30

(1) This information is provided as at the end of the fiscal period shown.

(2) Management expense ratio ("MER") is based on total expenses, excluding commissions and other portfolio transaction costs, income taxes and withholding taxes, for the stated period and is expressed as an annualized percentage of daily average net assets during the period, except as noted. If the ETF was established in the period, the MER is annualized from the date of inception to the end of the period. Where the ETF directly invests in securities of another fund (including other ETFs), the MER presented for the ETF includes the portion of MERs of the other fund(s) attributable to this investment. Any income distributions received from ETFs managed by the Manager, with the intention of offsetting fees paid within those ETFs but which are not considered to be duplicative fees under regulatory requirements, are treated as waived expenses for MER purposes. The Manager may waive or absorb operating expenses at its discretion and stop waiving or absorbing such expenses at any time without notice.

(3) The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period. Where the ETF invests in securities of another fund (including other ETFs), the TER presented for the ETF includes the portion of TERs of the other fund(s) attributable to this investment. The Manager may reimburse the ETF for certain brokerage commissions and other transaction costs (including those payable to the custodian or its agents). The Manager may make these reimbursements at its discretion and stop these reimbursements at any time without notice.

(4) The ETF's portfolio turnover rate indicates how actively the ETF's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the period. The higher the ETF's portfolio turnover rate in a period, the greater the trading costs payable by the ETF in the period, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF. The portfolio turnover rate is not provided when the ETF is less than one year old.

(5) Closing market price, or the midpoint of the bid and ask prices in the absence of a closing market price, on the last trading day of the period as reported on the Toronto Stock Exchange.