

MACKENZIE UNCONSTRAINED BOND ETF

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 or by visiting the SEDAR website at 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
Investments

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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 a positive total return over a market cycle, regardless of market conditions, by investing primarily in fixed income securities of issuers anywhere in the world and in derivative instruments.

Risk

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

The ETF is suitable for medium-term investors seeking to diversify a traditional portfolio of fixed income and equity investments, who can handle the volatility of bond markets and who have a low tolerance for risk.

Results of Operations

Investment Performance

During the period, the ETF returned -0.7% (after deducting fees and expenses). This compares with the FTSE Canada 91-Day T-Bill Index return of 2.8%. 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.

In response to persistently high inflation, the U.S. Federal Reserve increased the federal funds rate by 450 basis points over the period to end at a target of 4.75%-5.00%. Concerns that higher interest rates could cause a recession were reflected in rising yields for high-yield bonds, with spreads (the difference in yield between high-yield and investment grade bonds) near the long-term average. This also led to higher yields for term loans and wider loan spreads (the margin by which the interest rate, which fluctuates according to a loan's market price, exceeds the floating reference rate).

The ETF underperformed the index, with its holdings in corporate and government bonds detracting from performance. Conversely, holdings in term loans contributed to performance.

Hedging of foreign currency exposure detracted from performance as a result of the overall appreciation of the hedged currencies relative to the Canadian dollar.

Over the period, the portfolio management team increased the ETF's exposure to Canada because of the Canadian economy's higher sensitivity to interest rates, while the ETF's exposure to the United States was decreased. The team increased exposure to investment grade corporate bonds based on their favourable risk-reward characteristics. Exposure to term loans was decreased in response to the higher cost of borrowing, given the floating-rate nature of loans.

Net Assets

The ETF's net assets decreased by 7.9% during the period to \$910.0 million. This change was composed primarily of \$11.0 million in net losses (including any interest and/or dividend income) from investment performance, after deducting fees and expenses, and a decrease of \$66.7 million due to net unitholder activity (including sales, redemptions and cash distributions).

Recent Developments

The portfolio management team expects volatility and uncertainty in fixed income markets to persist for the rest of 2023. By the end of the period, inflation in Canada and the United States was easing but remained elevated. The team expects central banks to continue to assess the impact of interest rates on inflation and economic growth before setting future policy. Furthermore, the team believes that the Federal Reserve could pause rate increases in 2023, while rate cuts are unlikely as long as the global economy is resilient and inflation remains elevated.

The team is cautious about prospects for high-yield bonds as economic uncertainty challenges credit fundamentals. The team believes issuer selection and sound credit research remain important in assessing investment opportunities and continues to find attractive risk-reward opportunities in higher-quality investments.

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 0.50%.

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.

Other Related Party Transactions

Investment funds managed by Mackenzie and its affiliates may invest in the ETF in accordance with the investment objectives of those funds. At March 31, 2023, funds managed by Mackenzie owned 2.6% of the ETF's NAV. All related party transactions are based on the current market price. As a result of these investments, the ETF may be subject to large transaction risk as discussed in the Prospectus. Mackenzie manages this risk to reduce the possibility of any adverse effects 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.

During the period, the ETF received \$0.4 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.

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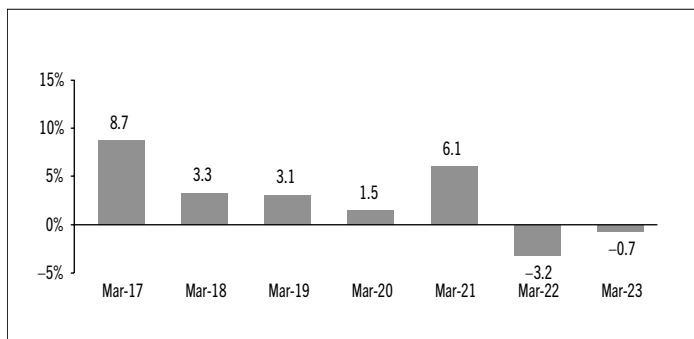
Past Performance

The ETF's past performance information is presented in the following charts and table. It assumes all distributions made by the ETF in the periods presented are reinvested in additional units of the ETF. The charts 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.

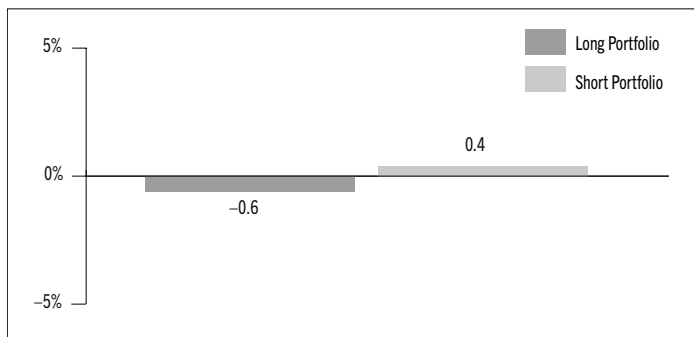
If you hold this ETF outside of a registered plan, income and capital gains distributions paid to you increase your income for tax purposes whether paid to you in cash or reinvested in additional units of the ETF. The amount of reinvested taxable distributions is added to the adjusted cost base of the 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 (April 19, 2016), as applicable, would have increased or decreased by the last day of the fiscal period presented.



The following bar chart presents the performance of the ETF's long and short portfolio positions for the period ended March 31, 2023, before deducting fees and expenses and before the effect of other assets (liabilities).



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 Unconstrained Bond ETF	-0.7	0.7	1.3	n/a	2.6
FTSE Canada 91-Day T-Bill Index	2.8	1.1	1.3	n/a	1.1

The FTSE Canada 91-Day T-Bill Index is an index of Government of Canada treasury bills with maturities of less than 91 days.

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Summary of Investment Portfolio at March 31, 2023

EFFECTIVE PORTFOLIO ALLOCATION	% OF NAV
Bonds	86.9
Bonds	86.9
Long bond futures*	0.6
Purchased options**	0.2
Written options**	–
Swaps†	(0.1)
Short bond futures*	(0.7)
Cash and short-term investments	9.9
Other assets (liabilities)	2.1
Equities	1.1
Equities	1.1
Purchased options††	–

EFFECTIVE REGIONAL ALLOCATION	% OF NAV
Canada	38.6
United States	35.7
Cash and short-term investments	9.9
Other	3.5
Other assets (liabilities)	2.1
Mexico	1.7
Germany	1.6
Luxembourg	1.4
United Kingdom	1.1
China	0.9
Brazil	0.9
Netherlands	0.6
Ireland	0.6
New Zealand	0.6
Japan	0.4
Australia	0.4

EFFECTIVE SECTOR ALLOCATION	% OF NAV
Corporate bonds	63.7
Foreign government bonds	11.1
Cash and short-term investments	9.9
Federal bonds	7.3
Term loans	3.8
Other assets (liabilities)	2.1
Provincial bonds	1.3
Utilities	0.6
Energy	0.2
Mortgage backed	0.2
Communication services	0.1
Financials	0.1
Municipal bonds	0.1
Consumer discretionary	0.1
Other	(0.6)

BONDS BY CREDIT RATING [§]	% OF NAV
AAA	10.8
AA	8.9
A	3.9
BBB	20.2
Less than BBB	26.1
Unrated	6.0

* Notional values represent 0.6% of NAV for long bond futures and –33.1% of NAV for short bond futures.

** Notional values represent 26.3% of NAV for purchased options and –24.2% of NAV for written options.

† Notional values represent 5.4% of NAV for swaps.

†† Notional values represent 4.5% of NAV for purchased equity options.

§ Credit ratings and rating categories are based on ratings issued by a designated rating organization. This table includes only bonds directly held by the ETF.

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

TOP 25 LONG POSITIONS

Issuer/Underlying Fund	% OF NAV
Cash and short-term investments	10.5
Mackenzie Canadian All Corporate Bond Index ETF	3.8
Mackenzie Canadian Short-Term Bond Index ETF	3.3
Government of Canada 1.75% 12-01-2053	1.9
Mackenzie Emerging Markets Local Currency Bond Index ETF	1.9
United States Treasury 0.13% 02-15-2052 Inflation Indexed	1.6
Government of Canada 0% 02-29-2024	1.3
Microsoft Corp. 2.53% 06-01-2050	1.0
International Finance Corp. 7.75% 01-18-2030	1.0
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	0.9
United States Treasury 0.13% 02-15-2051 Inflation Indexed	0.9
Government of Mexico 7.75% 05-29-2031	0.9
Government of Germany 0% 08-15-2052	0.8
United States Treasury 0.13% 01-15-2032 Inflation Indexed	0.8
Continental Resources Inc. 4.90% 06-01-2044 Callable 2043	0.8
Mackenzie Global Sustainable Bond ETF	0.8
Deutsche Bundesrepublik 0.10% 04-15-2046 Inflation Indexed	0.7
Mackenzie Emerging Markets Bond Index ETF (CAD-Hedged)	0.7
Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged)	0.7
Enbridge Inc. F/R 04-12-2078 Callable 2028	0.7
Bank of Montreal F/R 11-26-2080	0.7
Manulife Financial Corp. F/R 06-19-2082	0.7
Canadian Imperial Bank of Commerce F/R 07-28-2082	0.6
Sun Life Financial Inc. F/R 06-30-2081	0.6
Exxon Mobil Corp. 3.10% 08-16-2049	0.6

Top long positions as a percentage
of total net asset value

38.2

TOP 25 SHORT POSITIONS

Issuer	% OF NAV
Japan 10-Year Government Bond Futures	(0.3)
Euro-OAT Futures	(0.2)
CME Ultra Long-Term U.S. Treasury Bond Futures	(0.1)
Euro BTP Futures	(0.1)
Euro Bund Future Written Put Option @\$133.50 Exp. 04-21-2023	–
iShares iBoxx \$ High Yield Corporate Bond ETF Written Put Option @ \$64.00 Exp. 06-16-2023	–
iShares iBoxx \$ High Yield Corporate Bond ETF Written Put Option @ \$66.00 Exp. 05-19-2023	–
Ultra 10-Year U.S. Treasury Note Futures	–

Top short positions as a percentage
of total net asset value

(0.7)

For the prospectus and other information about the underlying fund(s) held in the portfolio, visit www.mackenzieinvestments.com or 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: MUB)	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Net assets, beginning of period	19.35	20.68	20.17	20.58	20.82
Increase (decrease) from operations:					
Total revenue	0.96	0.87	0.78	0.93	1.01
Total expenses	(0.12)	(0.12)	(0.13)	(0.12)	(0.13)
Realized gains (losses) for the period	(1.08)	(0.34)	0.12	0.36	(0.31)
Unrealized gains (losses) for the period	0.01	(1.05)	0.19	(0.98)	0.12
Total increase (decrease) from operations²	(0.23)	(0.64)	0.96	0.19	0.69
Distributions:					
From net investment income (excluding Canadian dividends)	(0.80)	(0.70)	(0.66)	(0.77)	(0.86)
From Canadian dividends	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
From capital gains	–	–	(0.11)	–	–
Return of capital	–	–	–	–	(0.01)
Total annual distributions³	(0.81)	(0.71)	(0.78)	(0.78)	(0.88)
Net assets, end of period	18.31	19.35	20.68	20.17	20.58

(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: MUB)	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Total net asset value (\$000)¹	909,967	987,662	1,001,064	600,063	403,384
Units outstanding (000)¹	49,700	51,050	48,400	29,750	19,600
Management expense ratio (%)²	0.56	0.56	0.55	0.55	0.58
Management expense ratio before waivers or absorptions (%)²	0.56	0.56	0.55	0.55	0.58
Trading expense ratio (%)³	0.03	–	–	–	–
Trading expense ratio before reimbursements (%)³	0.03	–	–	–	–
Portfolio turnover rate (%)⁴	41.83	78.45	63.07	86.29	95.45
Net asset value per unit (\$)	18.31	19.35	20.68	20.17	20.58
Closing market price (\$)⁵	18.38	19.34	20.72	20.15	20.64

(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.