

MACKENZIE CANADIAN SHORT TERM FIXED INCOME ETF

ACTIVE FIXED INCOME ETF

Interim Management Report of Fund Performance

For the Six-Month Period Ended September 30, 2018

This Interim Management Report of Fund Performance contains financial highlights but does not contain either the interim financial report or annual financial statements of the exchange-traded fund ("ETF"). You may obtain a copy of the interim financial report or 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 proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure. Every effort has been made to ensure that the information contained in this report is accurate as of the dates indicated in the report; however, the ETF cannot guarantee the accuracy or the completeness of this material. 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 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.

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Management Discussion of Fund Performance

November 13, 2018

This Management Discussion of Fund Performance presents the portfolio management team's view on the significant factors and developments during the period ended September 30, 2018, that have affected the ETF's performance and outlook. If the ETF was established during the period, "period" represents the period from inception to the end of the fiscal period. For information on the ETF's longer-term performance, as applicable, please refer to the *Past Performance* section of the report. In this report, "Mackenzie" refers 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.

Results of Operations

Investment Performance

During the period, the ETF returned 0.8% (after deducting fees and expenses). This compares with a return of -0.4% for the ETF's broad-based index, the FTSE TMX Canada Universe Bond Index, and a return of 0.3% for the ETF's narrow index, the FTSE TMX Canada Short Term Bond Index. All index returns are calculated on a total return basis in Canadian dollar terms. Investors cannot invest in the index without incurring fees, expenses and commissions, which are not reflected in the index returns.

The Canadian bond market fell over the period as yields increased in response to strong economic growth. The Bank of Canada raised its policy rate by 25 basis points to 1.50% in July as it continued to tighten its monetary policy. Given a strong economy and rising interest rates, yields of short- and mid-term bonds rose significantly relative to longer-term bond yields, flattening the Canadian yield curve.

The ETF outperformed the broad-based index primarily because its duration positioning was shorter than that of the index, which contributed to performance as interest rates rose. Given the ETF's mandate, the return of the narrow index is a more meaningful comparison.

The ETF outperformed the narrow index primarily because of an overweight position in term loans and duration positioning within federal and provincial bonds. Conversely, duration positioning within corporate bonds detracted from performance.

The ETF partially hedged its foreign currency exposure, which contributed slightly to absolute performance even as the U.S. dollar appreciated relative to the Canadian dollar.

The ETF held put options on high-yield bonds to help manage the ETF's credit risk exposure, which detracted from performance. The ETF's short futures positions, used to manage duration, contributed to performance. Currency options, held tactically during the period, had no significant impact on performance.

Over the period, portfolio activity and market effect resulted in increased exposure to the United States and decreased exposure to Canada and Australia. At the sector level, exposure to provincial bonds, corporate bonds and term loans increased, while exposure to federal bonds decreased.

Net Assets

The ETF's NAV declined by 0.3% to \$6.97 million at September 30, 2018, from \$6.98 million at March 31, 2018. This change was composed primarily of \$0.1 million in net income (including dividend and interest income) from investment performance, after deducting fees and expenses, and \$0.1 million in cash distributions.

At September 30, 2018, 46.1% of the ETF's NAV was held as inventory by the ETF's designated broker primarily for the purpose of sales to investors in the secondary market. See also *Other Related Party Transactions* for the percentage of the ETF's NAV owned by related parties. 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

The portfolio management team believes that unless U.S. domestic market volatility and economic risks rise notably, U.S. policy is likely to continue to focus almost exclusively on the domestic agenda. This would involve another increase to the federal funds rate by December, pushing the rate toward the neutral level for this cycle, which has yet to be determined. Such an increase is likely to flatten the yield curve further. Now that a North American trade deal has been negotiated, the team believes the Bank of Canada will also raise its policy rate, although more slowly than the U.S. Federal Reserve due to its concerns about high levels of household debt.

Related Party Transactions

The following arrangements result in fees paid by the ETF to Mackenzie or to companies affiliated with the ETF.

Management Fees

The annualized management expense ratio ("MER") for the ETF of 0.56% during the period ended September 30, 2018, was slightly higher than the annualized MER of 0.55% for the period ended March 31, 2018. The ETF paid management fees to Mackenzie at the annual rate of 0.49% in the period. On October 10, 2018, the management fee paid by the ETF to Mackenzie decreased to an annual rate of 0.35%.

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 Mackenzie 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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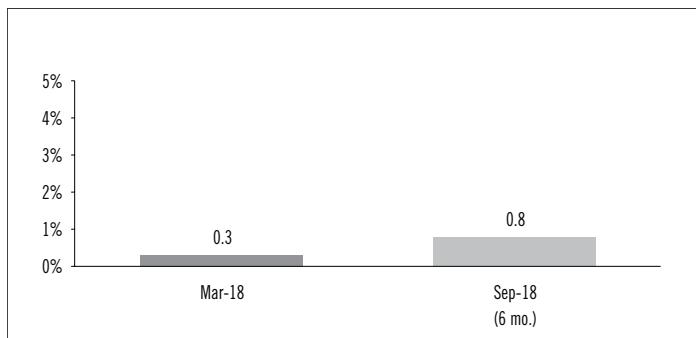
Other Related Party Transactions

At September 30, 2018, Mackenzie had an investment of \$2.0 million in the ETF (28.6% of the ETF's NAV). If Mackenzie decides to dispose of its investment, it will do so in a manner that reduces the possibility of adverse effects on the ETF.

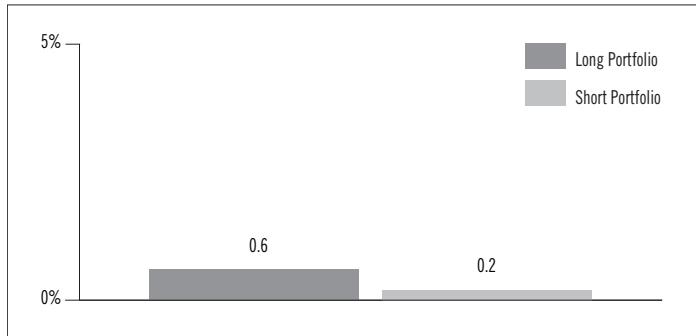
The ETF did not rely on an approval, positive recommendation or standing instruction from the Mackenzie Funds' Independent Review Committee with respect to any related party transactions.

Past Performance

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 (November 22, 2017), 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 September 30, 2018, before deducting fees and expenses and before the effect of other assets (liabilities).



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Summary of Investment Portfolio at September 30, 2018

Effective Portfolio Allocation	% of NAV
Bonds	94.1
Bonds	94.1
Short futures*	0.0
Cash and short-term investments	6.2
Equities	0.1
Purchased currency options**	0.0
Written currency options**	(0.0)
Other assets (liabilities)	(0.4)
Effective Regional Allocation	% of NAV
Canada	74.2
United States	15.3
Cash and short-term investments	6.2
United Kingdom	2.0
Germany	0.9
Other	0.5
Bermuda	0.4
France	0.3
Israel	0.2
Netherlands	0.2
Italy	0.1
Luxembourg	0.1
Other assets (liabilities)	(0.4)
Effective Sector Allocation	% of NAV
Corporate bonds	67.0
Provincial bonds	17.4
Term loans	7.7
Cash and short-term investments	6.2
Federal bonds	1.5
Foreign government bonds	0.5
Other	0.1
Other assets (liabilities)	(0.4)
Effective Net Currency Exposure	% of NAV
Canadian dollar	94.4
U.S. dollar	5.6
British pound	0.1
Euro	(0.1)
Bonds by Credit Rating†	% of NAV
AAA	6.1
AA	31.9
A	20.9
BBB	24.2
Less than BBB	4.0
Unrated	0.2

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

Top 25 Long Holdings

Issuer/Underlying Fund	% of NAV
Province of Ontario F/R 06-27-2022	9.4
Cash and short-term investments	5.4
Province of Ontario 2.60% 09-08-2023	5.4
Mackenzie Floating Rate Income ETF	3.9
Mackenzie Global High Yield Fixed Income ETF	3.8
Fortified Trust 1.67% 07-23-2021	2.0
OMERS Realty Corp. 2.971% 04-05-2021	1.9
Enbridge Inc. 3.19% 12-05-2022	1.8
Bell Canada 3.00% 10-03-2022 Callable	1.7
Royal Bank of Canada 2.95% 05-01-2023	1.7
Canadian Western Bank 2.74% 06-16-2022	1.7
Allied Properties Real Estate Investment Trust 3.93% 11-14-2022	1.7
Manulife Bank of Canada 1.92% 09-01-2021	1.6
Province of Quebec 3.50% 12-01-2022	1.5
Canada Housing Trust No 1 F/R 09-15-2023	1.4
Province of Newfoundland 3.00% 06-02-2026	1.4
Wells Fargo & Co. 2.51% 10-27-2023	1.3
Chartwell Retirement Residences 3.79% 12-11-2023 Callable 2023	1.3
Dollarama Inc. F/R 03-16-2020	1.3
HSBC Bank Canada 3.25% 09-15-2023	1.3
Laurentian Bank of Canada 2.81% 06-13-2019	1.3
Capital Power Corp. 4.28% 09-18-2024 Callable 2024	1.3
Hollis Receivables Term Trust II 1.788% 02-26-2020	1.3
Eagle Credit Card Trust 2.63% 10-17-2022	1.3
Gaz Metro Inc. 1.52% 05-25-2020	1.3

Top long positions as a percentage
of total net asset value

58.0

Top 25 Short Holdings

Issuer	% of NAV
U.S. 5-Year Note Futures*	0.0
Currency Written Call Option EUR/NOK 12-14-2018 Strike \$8.90**	(0.0)

Top short positions as a percentage
of total net asset value

0.0

* Notional principal values represent -12.5% of NAV for U.S. 5-Year Note Futures.

** Notional principal values represent 5.6% of NAV for purchased currency options and -0.6% of NAV for written currency options.

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

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 September 30, 2018, 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

Series E (Ticker: MCSB)	Sep. 30	Mar. 31
	2018	2018
Net assets, beginning of period	19.96	20.00
Increase (decrease) from operations:		
Total revenue	0.30	0.20
Total expenses	(0.07)	(0.04)
Realized gains (losses) for the period	–	0.05
Unrealized gains (losses) for the period	(0.07)	(0.11)
Total increase (decrease) from operations²	0.16	0.10
Distributions:		
From net investment income (excluding dividends)	(0.16)	(0.11)
From dividends	–	–
From capital gains	(0.05)	(0.04)
Return of capital	–	–
Total annual distributions³	(0.21)	(0.15)
Net assets, end of period	19.90	19.96

(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 unaudited interim financial statements and 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 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

Series E (Ticker: MCSB)	Sep. 30 2018	Mar. 31 2018
Total net asset value (\$000) ¹	6,967	6,985
Units outstanding (000) ¹	350	350
Management expense ratio (%) ²	0.56	0.55
Management expense ratio before waivers or absorptions (%) ²	0.56	0.55
Trading expense ratio (%) ³	0.12	0.04
Trading expense ratio before reimbursements (%) ³	0.12	0.04
Portfolio turnover rate (%) ⁴	47.97	n/a
Net asset value per unit (\$)	19.90	19.95
Closing market price (\$) ⁵	19.90	19.91

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

(2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. If the ETF was established in the period, the management expense ratio is annualized from the date of inception. Mackenzie 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 represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. Mackenzie may reimburse the ETF for certain brokerage commissions and other transaction costs (including those payable to the custodian or its agents). Mackenzie 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 an 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 an 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.



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