

## **Interim Management Report of Fund Performance**

*For the Period Ended September 30, 2024*

*This Interim Management Report of Fund Performance contains financial highlights but does not contain the interim financial report of the exchange-traded fund (“ETF”). You may obtain a copy of the interim financial report, 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.sedarplus.ca](http://www.sedarplus.ca).*

*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. 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 US LOW VOLATILITY ETF

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## Management Discussion of Fund Performance

November 12, 2024

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 period ended September 30, 2024 (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 to achieve long-term capital growth by investing primarily in equity securities of large- and mid-capitalization companies in the US market, while seeking to provide lower volatility.

### 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 U.S. equity fund as part of their portfolio, who can handle the ups and downs of stock markets and who have a medium tolerance for risk.

### Results of Operations

#### Investment Performance

Investment performance is not presented because the ETF has not issued units for the full six-month period.

#### Net Assets

From its inception on June 6, 2024, to September 30, 2024, the ETF experienced \$0.7 million in net income (including any interest and/or dividend income) from investment performance, after deducting fees and expenses, and an increase of \$69.5 million due to net unitholder activity (including sales, redemptions and cash distributions). The securityholder activity includes an inflow of \$64.5 million relating to fund merger activity (see *Recent Developments*).

### Recent Developments

The ETF rebalances and trades daily based on the portfolio management team's assessment of the return potential of individual stocks, including the impact of transaction costs. The team's quantitative, bottom-up stock selection process aims to add portfolio value in a variety of market conditions through investments in both growth- and value-oriented stocks and in small-, mid- and large-capitalization stocks. As such, the team does not routinely generate market expectations and therefore rarely makes investment decisions according to macroeconomic forecasts.

On September 6, 2024, investors in Mackenzie Maximum Diversification US Index ETF voted to approve the proposed merger of that fund into the ETF. The merger occurred on September 27, 2024. The Manager does not consider the merger to be a material change for the ETF's investors.

The following changes to the Mackenzie Funds' Independent Review Committee occurred:

- effective September 13, 2023, Saijal Patel was appointed;
- effective March 5, 2024, Atul Tiwari resigned; and
- effective April 30, 2024, the terms for Robert Hines and George Hucal expired, and Rebecca Cowdery was appointed.

### Related Party Transactions

#### Management Fees

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

The Manager relied on a positive recommendation issued by the Mackenzie Funds' Independent Review Committee to proceed with the merger of Mackenzie Maximum Diversification US Index ETF into the ETF on September 27, 2024.

### Past Performance

Past performance is not presented because the ETF has not issued units for the full six-month period.

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## Summary of Investment Portfolio at September 30, 2024

PORTFOLIO ALLOCATION	% OF NAV
Equities	98.7
Cash and cash equivalents	1.3

REGIONAL ALLOCATION	% OF NAV
United States	93.8
Bermuda	2.0
Ireland	1.6
Cash and cash equivalents	1.3
Canada	0.6
Switzerland	0.5
United Kingdom	0.1
Australia	0.1

SECTOR ALLOCATION	% OF NAV
Information technology	24.7
Health care	16.5
Financials	15.7
Consumer staples	11.9
Industrials	10.5
Utilities	7.5
Communication services	5.0
Consumer discretionary	3.8
Real estate	1.4
Cash and cash equivalents	1.3
Energy	1.3
Materials	0.4

## TOP 25 POSITIONS

Issuer	% OF NAV
Northrop Grumman Corp.	2.4
Republic Services Inc.	2.2
Motorola Solutions Inc.	2.0
Microsoft Corp.	2.0
The Procter & Gamble Co.	2.0
Wal-Mart Stores Inc.	1.9
The Travelers Companies Inc.	1.8
Lockheed Martin Corp.	1.8
Eli Lilly and Co.	1.8
PepsiCo Inc.	1.7
Duke Energy Corp.	1.7
International Business Machines Corp.	1.6
UnitedHealth Group Inc.	1.6
T-Mobile USA Inc.	1.5
Merck & Co. Inc.	1.5
Waste Management Inc.	1.4
McKesson Corp.	1.4
Cash and cash equivalents	1.3
Cisco Systems Inc.	1.3
Apple Inc.	1.3
CME Group Inc.	1.3
General Mills Inc.	1.3
Colgate Palmolive Co.	1.2
VeriSign Inc.	1.2
Oracle Corp.	1.2
<b>Top long positions as a percentage of total net asset value</b>	<b>40.4</b>

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

The investments and percentages may have changed since September 30, 2024, 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

Financial highlights are not presented because the ETF has not reached its first fiscal year-end.