

# MACKENZIE US INVESTMENT GRADE CORPORATE BOND INDEX ETF (CAD-HEDGED)

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 Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged) (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 Mackenzie US Investment Grade Corporate Bond 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.



**MACKENZIE**  
Investments

# MACKENZIE US INVESTMENT GRADE CORPORATE BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## 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

# MACKENZIE US INVESTMENT GRADE CORPORATE BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## STATEMENTS OF FINANCIAL POSITION

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

	2023	2022
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Investments at fair value	510,073	296,649
Cash and cash equivalents	2,824	10,372
Accrued interest receivable	5,427	2,807
Accounts receivable for investments sold	17	–
Accounts receivable for units issued	1,736	–
Due from manager	3	22
Margin on derivatives	57	422
Derivative assets	2,702	7,408
<b>Total assets</b>	<b>522,839</b>	<b>317,680</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable for investments purchased	2,413	–
Accounts payable for units redeemed	–	–
Due to manager	70	45
Derivative liabilities	252	1,792
<b>Total liabilities</b>	<b>2,735</b>	<b>1,837</b>
<b>Net assets attributable to unitholders</b>	<b>520,104</b>	<b>315,843</b>

	Net assets attributable to unitholders (note 3)			
	per unit		per series	
	2023	2022	2023	2022
CAD Units	87.27	96.29	520,104	315,843

## STATEMENTS OF COMPREHENSIVE INCOME

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

	2023	2022
	\$	\$
<b>Income</b>		
Interest income for distribution purposes	16,877	12,857
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(43,733)	(13,528)
Net unrealized gain (loss)	5,269	(11,790)
Securities lending income	1	3
Other	1,420	279
<b>Total income (loss)</b>	<b>(20,166)</b>	<b>(12,179)</b>
<b>Expenses (note 6)</b>		
Management fees	712	626
Management fee rebates	(666)	(628)
Interest charges	12	–
Commissions and other portfolio transaction costs	4	10
Independent Review Committee fees	1	1
<b>Expenses before amounts absorbed by Manager</b>	<b>63</b>	<b>9</b>
Expenses absorbed by Manager	–	–
<b>Net expenses</b>	<b>63</b>	<b>9</b>
<b>Increase (decrease) in net assets attributable to unitholders from operations before tax</b>	<b>(20,229)</b>	<b>(12,188)</b>
Foreign withholding tax expense (recovery)	–	–
Foreign income tax expense (recovery)	–	–
<b>Increase (decrease) in net assets attributable to unitholders from operations</b>	<b>(20,229)</b>	<b>(12,188)</b>

	Increase (decrease) in net assets attributable to unitholders from operations (note 3)			
	per unit		per series	
	2023	2022	2023	2022
CAD Units	(4.09)	(3.35)	(20,229)	(12,188)

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

# MACKENZIE US INVESTMENT GRADE CORPORATE BOND INDEX ETF (CAD-HEDGED)

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)

	CAD Units	
	2023	2022
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		
<b>Beginning of period</b>	<b>315,843</b>	<b>399,617</b>
Increase (decrease) in net assets from operations	(20,229)	(12,188)
Distributions paid to unitholders:		
Investment income	(15,175)	(13,634)
Capital gains	–	–
Management fee rebates	(666)	(628)
<b>Total distributions paid to unitholders</b>	<b>(15,841)</b>	<b>(14,262)</b>
Unit transactions:		
Proceeds from units issued	361,012	43,840
Reinvested distributions	–	–
Payments on redemption of units	(120,681)	(101,164)
<b>Total unit transactions</b>	<b>240,331</b>	<b>(57,324)</b>
<b>Increase (decrease) in net assets attributable to unitholders</b>	<b>204,261</b>	<b>(83,774)</b>
<b>End of period</b>	<b>520,104</b>	<b>315,843</b>
<b>Increase (decrease) in units (in thousands) (note 7):</b>		
	<b>Units</b>	
<b>Units outstanding – beginning of period</b>	<b>3,280</b>	<b>3,840</b>
Issued	4,140	420
Reinvested distributions	–	–
Redeemed	(1,460)	(980)
<b>Units outstanding – end of period</b>	<b>5,960</b>	<b>3,280</b>

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# MACKENZIE US INVESTMENT GRADE CORPORATE BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## STATEMENTS OF CASH FLOWS

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

	2023	2022
	\$	\$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to unitholders from operations	(20,229)	(12,188)
Adjustments for:		
Net realized loss (gain) on investments	18,476	8,012
Change in net unrealized loss (gain) on investments	(5,269)	11,790
Purchase of investments	(315,292)	(506,757)
Proceeds from sale and maturity of investments	94,669	577,846
(Increase) decrease in accounts receivable and other assets	(2,236)	334
Increase (decrease) in accounts payable and other liabilities	25	(121)
<b>Net cash provided by (used in) operating activities</b>	<b>(229,856)</b>	<b>78,916</b>
<b>Cash flows from financing activities</b>		
Proceeds from units issued	359,276	43,840
Payments on redemption of units	(120,681)	(101,164)
Distributions paid net of reinvestments	(15,841)	(14,262)
<b>Net cash provided by (used in) financing activities</b>	<b>222,754</b>	<b>(71,586)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(7,102)</b>	<b>7,330</b>
Cash and cash equivalents at beginning of period	10,372	3,048
Effect of exchange rate fluctuations on cash and cash equivalents	(446)	(6)
<b>Cash and cash equivalents at end of period</b>	<b>2,824</b>	<b>10,372</b>
Cash	2,824	10,372
Cash equivalents	–	–
<b>Cash and cash equivalents at end of period</b>	<b>2,824</b>	<b>10,372</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	–	–
Foreign taxes paid	–	–
Interest received	14,257	13,635
Interest paid	12	–

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# MACKENZIE US INVESTMENT GRADE CORPORATE BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## SCHEDULE OF INVESTMENTS

as at March 31, 2023

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS</b>					
Abbott Laboratories 3.75% 11-30-2026	United States	Corporate - Non Convertible	USD 839,000	1,111	1,126
Abbott Laboratories 4.75% 11-30-2036 Callable 2036	United States	Corporate - Non Convertible	USD 30,000	51	42
Abbott Laboratories 4.90% 11-30-2046	United States	Corporate - Non Convertible	USD 860,000	1,349	1,195
AbbVie Inc. 2.60% 11-21-2024	United States	Corporate - Non Convertible	USD 1,215,000	1,690	1,585
AbbVie Inc. 3.60% 05-14-2025 Callable 2025	United States	Corporate - Non Convertible	USD 1,180,000	1,566	1,564
AbbVie Inc. 3.20% 05-14-2026	United States	Corporate - Non Convertible	USD 83,000	101	108
AbbVie Inc. 2.95% 11-21-2026	United States	Corporate - Non Convertible	USD 1,785,000	2,502	2,295
AbbVie Inc. 4.25% 11-14-2028 Callable 2028	United States	Corporate - Non Convertible	USD 223,000	340	299
AbbVie Inc. 3.20% 11-21-2029	United States	Corporate - Non Convertible	USD 266,000	352	333
AbbVie Inc. 4.55% 03-15-2035	United States	Corporate - Non Convertible	USD 96,000	122	127
AbbVie Inc. 4.50% 05-14-2035	United States	Corporate - Non Convertible	USD 1,241,000	1,740	1,625
AbbVie Inc. 4.05% 11-21-2039	United States	Corporate - Non Convertible	USD 1,078,000	1,710	1,298
AbbVie Inc. 4.40% 11-06-2042	United States	Corporate - Non Convertible	USD 388,000	606	479
AbbVie Inc. 4.70% 05-14-2045	United States	Corporate - Non Convertible	USD 1,142,000	1,684	1,445
AbbVie Inc. 4.25% 11-21-2049	United States	Corporate - Non Convertible	USD 860,000	1,288	1,023
AerCap Ireland Capital DAC 1.65% 10-29-2024	Ireland	Corporate - Non Convertible	USD 980,000	1,214	1,238
AerCap Ireland Capital DAC 2.45% 10-29-2026	Ireland	Corporate - Non Convertible	USD 1,080,000	1,234	1,313
AerCap Ireland Capital DAC 3.00% 10-29-2028	Ireland	Corporate - Non Convertible	USD 1,510,000	1,898	1,783
AerCap Ireland Capital DAC 3.30% 01-30-2032	Ireland	Corporate - Non Convertible	USD 2,323,000	2,904	2,606
AerCap Ireland Capital DAC 3.40% 10-29-2033	Ireland	Corporate - Non Convertible	USD 240,000	256	264
Alibaba Group Holding Ltd. 3.60% 11-28-2024 Callable 2024 144A	China	Corporate - Non Convertible	USD 660,000	948	872
Alibaba Group Holding Ltd. 3.40% 12-06-2027 Callable 2027	China	Corporate - Non Convertible	USD 984,000	1,283	1,254
Ally Financial Inc. 8.00% 11-01-2031	United States	Corporate - Non Convertible	USD 600,000	1,010	852
Alphabet Inc. 2.00% 08-15-2026	United States	Corporate - Non Convertible	USD 570,000	716	721
Alphabet Inc. 1.10% 08-15-2030 Callable 2030	United States	Corporate - Non Convertible	USD 699,000	860	773
Altria Group Inc. 4.80% 02-14-2029 Callable 2028	United States	Corporate - Non Convertible	USD 49,000	64	66
Altria Group Inc. 2.45% 02-04-2032	United States	Corporate - Non Convertible	USD 1,217,000	1,305	1,295
Altria Group Inc. 5.80% 02-14-2039 Callable 2038	United States	Corporate - Non Convertible	USD 250,000	304	330
Altria Group Inc. 5.38% 01-31-2044	United States	Corporate - Non Convertible	USD 76,000	95	94
Altria Group Inc. 5.95% 02-14-2049 Callable 2048	United States	Corporate - Non Convertible	USD 756,000	1,169	965
Amazon.com Inc. 0.45% 05-12-2024	United States	Corporate - Non Convertible	USD 630,000	777	816
Amazon.com Inc. 2.80% 08-22-2024 Callable 2024	United States	Corporate - Non Convertible	USD 4,000	6	5
Amazon.com Inc. 1.00% 05-12-2026	United States	Corporate - Non Convertible	USD 1,331,000	1,629	1,630
Amazon.com Inc. 3.30% 04-13-2027	United States	Corporate - Non Convertible	USD 830,000	1,063	1,085
Amazon.com Inc. 3.15% 08-22-2027 Callable 2027	United States	Corporate - Non Convertible	USD 1,171,000	1,595	1,518
Amazon.com Inc. 2.10% 05-12-2031	United States	Corporate - Non Convertible	USD 924,000	1,120	1,067
Amazon.com Inc. 3.60% 04-13-2032	United States	Corporate - Non Convertible	USD 1,580,000	1,985	2,032
Amazon.com Inc. 4.70% 12-01-2032	United States	Corporate - Non Convertible	USD 1,500,000	2,028	2,079
Amazon.com Inc. 3.88% 08-22-2037 Callable 2037	United States	Corporate - Non Convertible	USD 1,070,000	1,362	1,346
Amazon.com Inc. 4.05% 08-22-2047 Callable	United States	Corporate - Non Convertible	USD 645,000	995	789
Amazon.com Inc. 2.50% 06-03-2050	United States	Corporate - Non Convertible	USD 432,000	588	395
Amazon.com Inc. 3.10% 05-12-2051	United States	Corporate - Non Convertible	USD 658,000	798	672
Amazon.com Inc. 3.95% 04-13-2052	United States	Corporate - Non Convertible	USD 2,110,000	2,542	2,524
Amazon.com Inc. 4.25% 08-22-2057 Callable 2057	United States	Corporate - Non Convertible	USD 367,000	658	451
American International Group Inc. 3.40% 06-30-2030	United States	Corporate - Non Convertible	USD 294,000	354	357
American Tower Corp. 3.80% 08-15-2029 Callable 2029	United States	Corporate - Non Convertible	USD 406,000	574	510
Amgen Inc. 3.15% 02-21-2040 Callable 2039	United States	Corporate - Non Convertible	USD 348,000	508	369
Amgen Inc. 4.40% 05-01-2045 Callable 2044	United States	Corporate - Non Convertible	USD 330,000	435	393
Amgen Inc. 3.38% 02-21-2050	United States	Corporate - Non Convertible	USD 595,000	790	601
Amgen Inc. 4.66% 06-15-2051 Callable	United States	Corporate - Non Convertible	USD 710,000	1,036	870
Anheuser-Busch Cos LLC 3.65% 02-01-2026 Callable 2025	Belgium	Corporate - Non Convertible	USD 707,000	944	938
Anheuser-Busch Cos. LLC 4.00% 04-13-2028 Callable 2028	Belgium	Corporate - Non Convertible	USD 806,000	1,043	1,076
Anheuser-Busch Cos. LLC 4.70% 02-01-2036 Callable 2035	Belgium	Corporate - Non Convertible	USD 441,000	616	593
Anheuser-Busch Cos. LLC 4.90% 02-01-2046 Callable 2045	Belgium	Corporate - Non Convertible	USD 2,647,000	4,040	3,495
Anheuser-Busch InBev Worldwide Inc. 4.75% 01-23-2029 Callable 2028	Belgium	Corporate - Non Convertible	USD 633,000	1,020	873
Anheuser-Busch InBev Worldwide Inc. 4.60% 04-15-2048 Callable 2047	Belgium	Corporate - Non Convertible	USD 178,000	215	227
Anheuser-Busch InBev Worldwide Inc. 5.55% 01-23-2049 Callable 2048	Belgium	Corporate - Non Convertible	USD 1,392,000	2,082	2,025
Apple Inc. 3.45% 05-06-2024	United States	Corporate - Non Convertible	USD 241,000	333	322
Apple Inc. 0.70% 02-08-2026	United States	Corporate - Non Convertible	USD 790,000	963	971

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ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2023

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (cont'd)</b>					
Apple Inc. 3.25% 02-23-2026	United States	Corporate - Non Convertible	USD 753,000	1,058	995
Apple Inc. 3.35% 02-09-2027 Callable 2026	United States	Corporate - Non Convertible	USD 403,000	580	532
Apple Inc. 1.20% 02-08-2028	United States	Corporate - Non Convertible	USD 756,000	941	900
Apple Inc. 1.65% 02-08-2031	United States	Corporate - Non Convertible	USD 360,000	393	407
Apple Inc. 4.65% 02-23-2046	United States	Corporate - Non Convertible	USD 1,090,000	1,525	1,483
Apple Inc. 2.65% 02-08-2051	United States	Corporate - Non Convertible	USD 920,000	905	869
AT&T Inc. 1.70% 03-25-2026	United States	Corporate - Non Convertible	USD 1,190,000	1,418	1,479
AT&T Inc. 2.30% 06-01-2027	United States	Corporate - Non Convertible	USD 456,000	630	565
AT&T Inc. 1.65% 02-01-2028 Callable 2027	United States	Corporate - Non Convertible	USD 650,000	760	771
AT&T Inc. 4.35% 03-01-2029 Callable 2028	United States	Corporate - Non Convertible	USD 407,000	632	538
AT&T Inc. 4.30% 02-15-2030	United States	Corporate - Non Convertible	USD 1,686,000	2,201	2,215
AT&T Inc. 2.75% 06-01-2031 Callable 2031	United States	Corporate - Non Convertible	USD 611,000	852	712
AT&T Inc. 2.25% 02-01-2032 Callable 2031	United States	Corporate - Non Convertible	USD 1,462,000	1,669	1,615
AT&T Inc. 2.55% 12-01-2033	United States	Corporate - Non Convertible	USD 1,278,000	1,610	1,390
AT&T Inc. 4.50% 05-15-2035	United States	Corporate - Non Convertible	USD 618,000	755	784
AT&T Inc. 3.50% 06-01-2041	United States	Corporate - Non Convertible	USD 710,000	728	757
AT&T Inc. 3.65% 06-01-2051 Callable 2050	United States	Corporate - Non Convertible	USD 1,036,000	1,481	1,059
AT&T Inc. 3.50% 09-15-2053	United States	Corporate - Non Convertible	USD 991,000	1,176	969
AT&T Inc. 3.55% 09-15-2055	United States	Corporate - Non Convertible	USD 1,681,000	1,870	1,627
AT&T Inc. 3.80% 12-01-2057	United States	Corporate - Non Convertible	USD 832,000	884	836
AT&T Inc. 3.65% 09-15-2059	United States	Corporate - Non Convertible	USD 650,000	586	626
B.A.T Capital Corp. 3.22% 08-15-2024 Callable 2024	United Kingdom	Corporate - Non Convertible	USD 377,000	496	494
B.A.T Capital Corp. 4.39% 08-15-2037 Callable 2037	United Kingdom	Corporate - Non Convertible	USD 380,000	420	419
B.A.T Capital Corp. 4.54% 08-15-2047 Callable 2047	United Kingdom	Corporate - Non Convertible	USD 519,000	599	522
B.A.T. Capital Corp. 3.56% 08-15-2027 Callable 2027	United Kingdom	Corporate - Non Convertible	USD 1,286,000	1,675	1,616
Banco Santander SA 2.75% 12-03-2030	Spain	Corporate - Non Convertible	USD 400,000	504	422
Bank of America Corp. 4.00% 04-01-2024	United States	Corporate - Non Convertible	USD 1,038,000	1,350	1,388
Bank of America Corp. F/R 07-23-2024 Callable 2023	United States	Corporate - Non Convertible	USD 170,000	218	228
Bank of America Corp. 4.20% 08-26-2024	United States	Corporate - Non Convertible	USD 651,000	909	865
Bank of America Corp. 3.95% 04-21-2025	United States	Corporate - Non Convertible	USD 450,000	565	589
Bank of America Corp. 4.45% 03-03-2026	United States	Corporate - Non Convertible	USD 112,000	150	148
Bank of America Corp. F/R 06-19-2026	United States	Corporate - Non Convertible	USD 136,000	179	168
Bank of America Corp. F/R 12-20-2028 Callable 2027	United States	Corporate - Non Convertible	USD 2,402,000	3,303	3,020
Bank of America Corp. F/R 07-23-2029 Callable 2028	United States	Corporate - Non Convertible	USD 1,391,000	1,959	1,809
Bank of America Corp. F/R 02-07-2030 Callable 2029	United States	Corporate - Non Convertible	USD 4,260,000	5,337	5,382
Bank of America Corp. F/R 02-13-2031	United States	Corporate - Non Convertible	USD 491,000	679	562
Bank of America Corp. F/R 04-29-2031	United States	Corporate - Non Convertible	USD 1,254,000	1,746	1,435
Bank of America Corp. F/R 07-23-2031	United States	Corporate - Non Convertible	USD 686,000	803	740
Bank of America Corp. F/R 04-22-2032	United States	Corporate - Non Convertible	USD 140,000	161	158
Bank of America Corp. F/R 02-04-2033	United States	Corporate - Non Convertible	USD 850,000	960	967
Bank of America Corp. F/R 04-27-2033	United States	Corporate - Non Convertible	USD 1,310,000	1,606	1,688
Bank of America Corp. F/R 03-08-2037	United States	Corporate - Non Convertible	USD 2,080,000	2,319	2,398
Bank of America Corp. 4.24% 04-24-2038	United States	Corporate - Non Convertible	USD 138,000	172	167
Bank of America Corp. F/R 06-19-2041 Callable 2040	United States	Corporate - Non Convertible	USD 1,166,000	1,317	1,111
Bank of America Corp. F/R 04-22-2042	United States	Corporate - Non Convertible	USD 618,000	804	647
Bank of America Corp. 5.00% 01-21-2044	United States	Corporate - Non Convertible	USD 374,000	630	486
Bank of America Corp. 4.44% 01-20-2048	United States	Corporate - Non Convertible	USD 1,838,000	2,469	2,199
Bank of America Corp. 4.33% 03-15-2050 Callable 2049	United States	Corporate - Non Convertible	USD 1,048,000	1,339	1,212
Bank of America Corp. F/R 03-20-2051 Callable 2050	United States	Corporate - Non Convertible	USD 1,607,000	2,167	1,782
Bank of America Corp F/R 10-24-2026	United States	Corporate - Non Convertible	USD 640,000	772	777
Bank of America Corp F/R 04-23-2027 Callable 2026	United States	Corporate - Non Convertible	USD 1,378,000	1,806	1,769
The Bank of New York Mellon Corp. F/R 10-25-2033	United States	Corporate - Non Convertible	USD 470,000	677	678
Barclays PLC 3.65% 03-16-2025	United Kingdom	Corporate - Non Convertible	USD 730,000	920	943
Barclays PLC F/R 05-07-2025 Callable 2024	United Kingdom	Corporate - Non Convertible	USD 370,000	481	487
Barclays PLC 4.38% 01-12-2026	United Kingdom	Corporate - Non Convertible	USD 609,000	899	795
Barclays PLC F/R 05-16-2029 Callable 2028	United Kingdom	Corporate - Non Convertible	USD 1,343,000	1,719	1,735
Barclays PLC F/R 11-02-2033	United Kingdom	Corporate - Non Convertible	USD 370,000	549	553
Barclays PLC 4.95% 01-10-2047	United Kingdom	Corporate - Non Convertible	USD 15,000	20	18
Baxter International Inc. 2.54% 02-01-2032	United States	Corporate - Non Convertible	USD 460,000	495	506
Berkshire Hathaway Inc. 3.13% 03-15-2026	United States	Corporate - Non Convertible	USD 518,000	676	682
Berkshire Hathaway Inc. 4.50% 02-11-2043	United States	Corporate - Non Convertible	USD 17,000	23	22
Berkshire Hathaway Inc. 4.20% 08-15-2048	United States	Corporate - Non Convertible	USD 436,000	677	534
Berkshire Hathaway Inc. 3.85% 03-15-2052	United States	Corporate - Non Convertible	USD 760,000	811	859

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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (cont'd)</b>					
BHP Billiton Ltd. 5.00% 09-30-2043	Australia	Corporate - Non Convertible	USD 525,000	821	718
The Boeing Co. 4.88% 05-01-2025 Callable 2025	United States	Corporate - Non Convertible	USD 1,229,000	1,747	1,658
The Boeing Co. 2.20% 02-04-2026	United States	Corporate - Non Convertible	USD 1,381,000	1,753	1,733
The Boeing Co. 5.04% 05-01-2027 Callable 2027	United States	Corporate - Non Convertible	USD 1,231,000	1,763	1,676
The Boeing Co. 5.15% 05-01-2030 Callable 2030	United States	Corporate - Non Convertible	USD 1,493,000	2,078	2,032
The Boeing Co. 5.71% 05-01-2040 Callable 2039	United States	Corporate - Non Convertible	USD 930,000	1,209	1,271
The Boeing Co. 5.81% 05-01-2050 Callable 2049	United States	Corporate - Non Convertible	USD 1,982,000	2,780	2,690
The Boeing Co. 5.93% 05-01-2060 Callable 2059	United States	Corporate - Non Convertible	USD 981,000	1,481	1,322
BP Capital Markets America Inc. 2.94% 06-04-2051	United States	Corporate - Non Convertible	USD 887,000	963	830
BP Capital Markets PLC F/R 09-22-2169	United Kingdom	Corporate - Non Convertible	USD 732,000	1,016	945
BP PLC F/R 12-22-2068	United Kingdom	Corporate - Non Convertible	USD 684,000	895	843
BPCE SA 4.00% 04-15-2024	France	Corporate - Non Convertible	USD 258,000	369	341
Bristol-Myers Squibb Co. 3.20% 06-15-2026	United States	Corporate - Non Convertible	USD 1,060,000	1,391	1,384
Bristol-Myers Squibb Co. 3.40% 07-26-2029 Callable 2029	United States	Corporate - Non Convertible	USD 1,516,000	2,028	1,948
Bristol-Myers Squibb Co. 1.45% 11-13-2030	United States	Corporate - Non Convertible	USD 588,000	674	648
Bristol-Myers Squibb Co. 2.95% 03-15-2032	United States	Corporate - Non Convertible	USD 589,000	705	718
Bristol-Myers Squibb Co. 4.13% 06-15-2039	United States	Corporate - Non Convertible	USD 1,000,000	1,354	1,258
Bristol-Myers Squibb Co. 4.55% 02-20-2048	United States	Corporate - Non Convertible	USD 735,000	1,142	936
Bristol-Myers Squibb Co. 4.25% 10-26-2049 Callable 2049	United States	Corporate - Non Convertible	USD 1,209,000	1,508	1,478
Bristol-Myers Squibb Co. 3.70% 03-15-2052	United States	Corporate - Non Convertible	USD 550,000	580	619
British American Tobacco PLC 4.45% 06-12-2025	United Kingdom	Corporate - Non Convertible	USD 1,079,000	1,500	1,432
British American Tobacco PLC 5.85% 08-15-2045	United Kingdom	Corporate - Non Convertible	USD 1,050,000	1,340	1,280
Broadcom Inc. 4.75% 04-15-2029	United States	Corporate - Non Convertible	USD 1,490,000	1,924	1,980
Broadcom Inc. 4.30% 11-15-2032	United States	Corporate - Non Convertible	USD 1,373,000	2,078	1,705
BT Group PLC 9.13% 12-15-2030	United Kingdom	Corporate - Non Convertible	USD 615,000	1,252	1,036
Canadian Pacific Railway Ltd. 2.45% 12-02-2031	Canada	Corporate - Non Convertible	USD 410,000	455	480
Canadian Pacific Railway Ltd. 3.10% 12-02-2051	Canada	Corporate - Non Convertible	USD 500,000	458	485
Capital One Financial Corp. 3.75% 07-28-2026 Callable 2026	United States	Corporate - Non Convertible	USD 610,000	768	748
Carrier Global Corp. 2.72% 02-15-2030	United States	Corporate - Non Convertible	USD 389,000	531	460
Carrier Global Corp. 3.58% 04-05-2050	United States	Corporate - Non Convertible	USD 420,000	489	429
Caterpillar Inc. 3.80% 08-15-2042	United States	Corporate - Non Convertible	USD 757,000	936	912
Celanese US Holdings LLC 6.05% 03-15-2025	United States	Corporate - Non Convertible	USD 1,130,000	1,477	1,535
Celanese US Holdings LLC 6.17% 07-15-2027	United States	Corporate - Non Convertible	USD 860,000	1,129	1,175
The Charles Schwab Corp. 2.45% 03-03-2027	United States	Corporate - Non Convertible	USD 780,000	956	945
Cheniere Corpus Christi Holdings LLC 5.88% 03-31-2025	United States	Corporate - Non Convertible	USD 298,000	451	406
Chevron Corp. 1.55% 05-11-2025	United States	Corporate - Non Convertible	USD 370,000	455	472
Chevron Corp. 2.95% 05-16-2026	United States	Corporate - Non Convertible	USD 687,000	867	894
China Petrochemical Corp. 2.15% 05-13-2025	China	Corporate - Non Convertible	USD 134,000	182	171
China Petrochemical Corp. 4.13% 09-12-2025	China	Corporate - Non Convertible	USD 78,000	115	104
Cigna Corp. 4.38% 10-15-2028 Callable 2028	United States	Corporate - Non Convertible	USD 619,000	925	824
Cigna Corp. 4.80% 08-15-2038 Callable 2038	United States	Corporate - Non Convertible	USD 581,000	908	761
Cigna Corp. 4.90% 12-15-2048 Callable 2048	United States	Corporate - Non Convertible	USD 720,000	1,025	913
Citigroup Inc. F/R 04-24-2025	United States	Corporate - Non Convertible	USD 1,000,000	1,266	1,317
Citigroup Inc. 4.40% 06-10-2025	United States	Corporate - Non Convertible	USD 294,000	378	387
Citigroup Inc. F/R 04-08-2026	United States	Corporate - Non Convertible	USD 1,567,000	2,093	2,025
Citigroup Inc. 3.20% 10-21-2026	United States	Corporate - Non Convertible	USD 1,183,000	1,460	1,508
Citigroup Inc. F/R 01-28-2027	United States	Corporate - Non Convertible	USD 430,000	513	518
Citigroup Inc. 4.45% 09-29-2027	United States	Corporate - Non Convertible	USD 490,000	643	642
Citigroup Inc. 3.89% 01-10-2028 Callable 2027	United States	Corporate - Non Convertible	USD 2,096,000	2,730	2,707
Citigroup Inc. 3.67% 07-24-2028 Callable 2027	United States	Corporate - Non Convertible	USD 372,000	459	476
Citigroup Inc. 4.13% 07-25-2028	United States	Corporate - Non Convertible	USD 1,241,000	1,548	1,583
Citigroup Inc. F/R 03-20-2030 Callable 2029	United States	Corporate - Non Convertible	USD 161,000	252	203
Citigroup Inc. F/R 01-29-2031	United States	Corporate - Non Convertible	USD 152,000	213	175
Citigroup Inc. F/R 03-31-2031 Callable 2030	United States	Corporate - Non Convertible	USD 1,538,000	2,123	1,974
Citigroup Inc. F/R 06-03-2031 Callable 2030	United States	Corporate - Non Convertible	USD 812,000	1,141	926
Citigroup Inc. F/R 05-01-2032	United States	Corporate - Non Convertible	USD 2,250,000	2,451	2,523
Citigroup Inc. F/R 11-17-2033	United States	Corporate - Non Convertible	USD 740,000	1,047	1,081
Citigroup Inc. 8.13% 07-15-2039	United States	Corporate - Non Convertible	USD 79,000	170	138
Citigroup Inc. 4.75% 05-18-2046	United States	Corporate - Non Convertible	USD 955,000	1,360	1,143
Citigroup Inc. 4.65% 07-23-2048 Callable 2048	United States	Corporate - Non Convertible	USD 341,000	590	427
CNOOC Ltd. 4.25% 04-30-2024	Canada	Corporate - Non Convertible	USD 470,000	673	630
The Coca-Cola Co. 2.25% 01-05-2032	United States	Corporate - Non Convertible	USD 760,000	869	888
Comcast Corp. 3.95% 10-15-2025	United States	Corporate - Non Convertible	USD 890,000	1,178	1,189



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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (cont'd)</b>					
Comcast Corp. 4.15% 10-15-2028	United States	Corporate - Non Convertible	USD 621,000	945	830
Comcast Corp. 4.70% 10-15-2048 Callable 2048	United States	Corporate - Non Convertible	USD 380,000	540	485
Comcast Corp. 2.89% 11-01-2051	United States	Corporate - Non Convertible	USD 1,150,000	1,016	1,058
Comcast Corp. 4.05% 11-01-2052	United States	Corporate - Non Convertible	USD 28,000	34	32
Comcast Corp. 2.94% 11-01-2056	United States	Corporate - Non Convertible	USD 1,450,000	1,280	1,300
Credit Suisse AG 2.95% 04-09-2025	Switzerland	Corporate - Non Convertible	USD 490,000	597	616
Credit Suisse Group AG 3.80% 06-09-2023	Switzerland	Corporate - Non Convertible	USD 195,000	251	259
Credit Suisse Group AG 3.63% 09-09-2024	Switzerland	Corporate - Non Convertible	USD 868,000	1,103	1,118
Credit Suisse Group AG 3.75% 03-26-2025	Switzerland	Corporate - Non Convertible	USD 1,250,000	1,564	1,558
CVS Health Corp. 3.88% 07-20-2025 Callable 2025	United States	Corporate - Non Convertible	USD 568,000	786	754
CVS Health Corp. 1.30% 08-21-2027	United States	Corporate - Non Convertible	USD 778,000	939	915
CVS Health Corp. 4.30% 03-25-2028 Callable 2027	United States	Corporate - Non Convertible	USD 956,000	1,314	1,268
CVS Health Corp. 3.75% 04-01-2030 Callable 2030	United States	Corporate - Non Convertible	USD 660,000	798	834
CVS Health Corp. 5.25% 02-21-2033	United States	Corporate - Non Convertible	USD 1,100,000	1,507	1,514
CVS Health Corp. 4.78% 03-25-2038 Callable 2037	United States	Corporate - Non Convertible	USD 942,000	1,377	1,213
CVS Health Corp. 5.13% 07-20-2045	United States	Corporate - Non Convertible	USD 2,063,000	2,693	2,643
CVS Health Corp. 5.05% 03-25-2048 Callable 2047	United States	Corporate - Non Convertible	USD 1,818,000	2,646	2,294
Dell International LLC 4.90% 10-01-2026	United States	Corporate - Non Convertible	USD 968,000	1,404	1,305
Dell Technologies Inc. 6.02% 06-15-2026	United States	Corporate - Non Convertible	USD 459,000	644	637
Deutsche Bank AG 2.13% 11-24-2026	Germany	Corporate - Non Convertible	USD 698,000	906	813
Deutsche Bank AG F/R 11-16-2027	Germany	Corporate - Non Convertible	USD 640,000	724	733
Deutsche Bank AG F/R 01-07-2028	Germany	Corporate - Non Convertible	USD 840,000	973	964
Deutsche Telekom AG 8.75% 06-15-2030	Germany	Corporate - Non Convertible	USD 917,000	1,707	1,514
Discovery Communications Inc. 3.95% 03-20-2028	United States	Corporate - Non Convertible	USD 834,000	1,022	1,055
Dominion Energy Inc. 3.38% 04-01-2030 Callable 2030	United States	Corporate - Non Convertible	USD 340,000	403	416
The Dow Chemical Co. 3.60% 11-15-2050	United States	Corporate - Non Convertible	USD 213,000	271	215
Ecopetrol SA 6.88% 04-29-2030 Callable 2030	Colombia	Corporate - Non Convertible	USD 27,000	42	34
Eli Lilly & Co. 3.38% 03-15-2029 Callable 2028	United States	Corporate - Non Convertible	USD 15,000	24	19
Eli Lilly & Co. 2.25% 05-15-2050	United States	Corporate - Non Convertible	USD 760,000	650	677
Energy Transfer LP 5.75% 02-15-2033	United States	Corporate - Non Convertible	USD 370,000	492	510
Energy Transfer LP 5.40% 10-01-2047	United States	Corporate - Non Convertible	USD 373,000	487	447
Energy Transfer Operating LP 3.75% 05-15-2030 Callable 2030	United States	Corporate - Non Convertible	USD 846,000	1,007	1,054
Energy Transfer Operating LP 5.00% 05-15-2050 Callable 2049	United States	Corporate - Non Convertible	USD 148,000	201	170
Energy Transfer Partners LP 6.25% 04-15-2049 Callable 2048	United States	Corporate - Non Convertible	USD 120,000	166	160
Equinor ASA 3.13% 04-06-2030 Callable 2030	Norway	Corporate - Non Convertible	USD 590,000	729	745
Exxon Mobil Corp. 2.709% 03-06-2025 Callable 2024	United States	Corporate - Non Convertible	USD 1,220,000	1,581	1,601
Exxon Mobil Corp. 2.99% 03-19-2025 Callable 2025	United States	Corporate - Non Convertible	USD 940,000	1,197	1,237
Exxon Mobil Corp. 3.04% 03-01-2026	United States	Corporate - Non Convertible	USD 630,000	835	826
Exxon Mobil Corp. 3.48% 03-19-2030 Callable 2029	United States	Corporate - Non Convertible	USD 917,000	1,262	1,185
Exxon Mobil Corp. 4.23% 03-19-2040	United States	Corporate - Non Convertible	USD 460,000	579	582
Exxon Mobil Corp. 4.11% 03-01-2046 Callable 2045	United States	Corporate - Non Convertible	USD 592,000	827	718
Exxon Mobil Corp. 4.33% 03-19-2050 Callable 2049	United States	Corporate - Non Convertible	USD 1,044,000	1,541	1,300
Exxon Mobil Corp. 3.45% 04-15-2051	United States	Corporate - Non Convertible	USD 1,241,000	1,477	1,332
Fiserv Inc. 2.75% 07-01-2024 Callable 2024	United States	Corporate - Non Convertible	USD 350,000	442	459
Fiserv Inc. 3.20% 07-01-2026	United States	Corporate - Non Convertible	USD 1,133,000	1,453	1,453
Fiserv Inc. 3.50% 07-01-2029 Callable 2029	United States	Corporate - Non Convertible	USD 573,000	802	718
Fiserv Inc. 4.40% 07-01-2049 Callable 2049	United States	Corporate - Non Convertible	USD 764,000	992	877
Fox Corp. 4.71% 01-25-2029	United States	Corporate - Non Convertible	USD 440,000	573	589
General Motors Co. 6.13% 10-01-2025 Callable 2025	United States	Corporate - Non Convertible	USD 1,048,000	1,522	1,442
General Motors Co. 6.60% 04-01-2036	United States	Corporate - Non Convertible	USD 450,000	584	627
Gilead Sciences Inc. 3.65% 03-01-2026	United States	Corporate - Non Convertible	USD 733,000	1,065	970
Gilead Sciences Inc. 4.50% 02-01-2045 Callable 2044	United States	Corporate - Non Convertible	USD 148,000	236	186
Gilead Sciences Inc. 4.75% 03-01-2046	United States	Corporate - Non Convertible	USD 376,000	535	488
GlaxoSmithKline Capital Inc. 3.88% 05-15-2028	United Kingdom	Corporate - Non Convertible	USD 616,000	805	816
GlaxoSmithKline PLC 6.38% 05-15-2038	United Kingdom	Corporate - Non Convertible	USD 939,000	1,632	1,495
The Goldman Sachs Group Inc. 4.00% 03-03-2024	United States	Corporate - Non Convertible	USD 750,000	1,014	1,000
The Goldman Sachs Group Inc. 3.50% 04-01-2025	United States	Corporate - Non Convertible	USD 1,540,000	1,980	2,021
The Goldman Sachs Group Inc. 3.75% 05-22-2025 Callable 2025	United States	Corporate - Non Convertible	USD 21,000	27	28
The Goldman Sachs Group Inc. 3.27% 09-29-2025	United States	Corporate - Non Convertible	USD 1,166,000	1,577	1,529
The Goldman Sachs Group Inc. 4.25% 10-21-2025	United States	Corporate - Non Convertible	USD 276,000	350	362
The Goldman Sachs Group Inc. 3.50% 11-16-2026	United States	Corporate - Non Convertible	USD 2,139,000	2,872	2,762

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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (cont'd)</b>					
The Goldman Sachs Group Inc. 3.85% 01-26-2027 Callable 2026	United States	Corporate - Non Convertible	USD 93,000	118	121
The Goldman Sachs Group Inc. F/R 09-10-2027	United States	Corporate - Non Convertible	USD 1,290,000	1,508	1,534
The Goldman Sachs Group Inc. F/R 10-21-2027	United States	Corporate - Non Convertible	USD 710,000	830	856
The Goldman Sachs Group Inc. F/R 05-01-2029 Callable 2028	United States	Corporate - Non Convertible	USD 1,898,000	2,416	2,449
The Goldman Sachs Group Inc. 3.80% 03-15-2030 Callable 2029	United States	Corporate - Non Convertible	USD 569,000	897	716
The Goldman Sachs Group Inc. F/R 04-22-2032	United States	Corporate - Non Convertible	USD 1,110,000	1,221	1,251
The Goldman Sachs Group Inc. F/R 07-21-2032	United States	Corporate - Non Convertible	USD 1,110,000	1,159	1,217
The Goldman Sachs Group Inc. F/R 10-21-2032	United States	Corporate - Non Convertible	USD 2,012,000	2,338	2,247
The Goldman Sachs Group Inc. 6.75% 10-01-2037	United States	Corporate - Non Convertible	USD 1,227,000	2,170	1,795
The Goldman Sachs Group Inc. 4.02% 10-31-2038	United States	Corporate - Non Convertible	USD 160,000	225	187
The Goldman Sachs Group Inc. 6.25% 02-01-2041	United States	Corporate - Non Convertible	USD 1,147,000	1,878	1,705
The Goldman Sachs Group Inc. 5.15% 05-22-2045	United States	Corporate - Non Convertible	USD 638,000	941	817
Haleon PLC 3.38% 03-24-2027	United States	Corporate - Non Convertible	USD 380,000	480	487
Haleon PLC 3.63% 03-24-2032	United States	Corporate - Non Convertible	USD 1,010,000	1,216	1,242
HCA Healthcare Inc. 3.50% 09-01-2030 Callable 2030	United States	Corporate - Non Convertible	USD 380,000	443	458
HCA Healthcare Inc. 5.25% 06-15-2049	United States	Corporate - Non Convertible	USD 598,000	830	728
HCA Inc. 5.00% 03-15-2024	United States	Corporate - Non Convertible	USD 260,000	375	349
HCA Inc. 5.375% 02-01-2025	United States	Corporate - Non Convertible	USD 1,060,000	1,394	1,434
HCA Inc. 4.13% 06-15-2029 Callable 2029	United States	Corporate - Non Convertible	USD 1,697,000	2,134	2,149
Hewlett Packard Enterprise Co. 4.90% 10-15-2025	United States	Corporate - Non Convertible	USD 946,000	1,333	1,276
The Home Depot Inc. 2.95% 06-15-2029 Callable 2029	United States	Corporate - Non Convertible	USD 597,000	843	745
The Home Depot Inc. 2.70% 04-15-2030	United States	Corporate - Non Convertible	USD 410,000	505	501
The Home Depot Inc. 5.88% 12-16-2036	United States	Corporate - Non Convertible	USD 824,000	1,413	1,242
The Home Depot Inc. 3.35% 04-15-2050 Callable 2049	United States	Corporate - Non Convertible	USD 499,000	730	521
The Home Depot Inc. 3.63% 04-15-2052	United States	Corporate - Non Convertible	USD 460,000	488	499
Honeywell International Inc. 2.50% 11-01-2026 Callable 2026	United States	Corporate - Non Convertible	USD 1,076,000	1,342	1,378
Honeywell International Inc. 1.75% 09-01-2031	United States	Corporate - Non Convertible	USD 460,000	495	510
HSBC Holdings PLC 4.25% 03-14-2024	United Kingdom	Corporate - Non Convertible	USD 326,000	464	429
HSBC Holdings PLC 4.30% 03-08-2026	United Kingdom	Corporate - Non Convertible	USD 195,000	261	255
HSBC Holdings PLC 3.90% 05-25-2026	United Kingdom	Corporate - Non Convertible	USD 323,000	441	414
HSBC Holdings PLC 4.04% 03-13-2028	United Kingdom	Corporate - Non Convertible	USD 522,000	709	662
HSBC Holdings PLC F/R 06-19-2029 Callable 2028	United Kingdom	Corporate - Non Convertible	USD 639,000	958	819
HSBC Holdings PLC 4.95% 03-31-2030	United Kingdom	Corporate - Non Convertible	USD 44,000	72	58
HSBC Holdings PLC F/R 05-22-2030 Callable 2029	United Kingdom	Corporate - Non Convertible	USD 269,000	407	328
HSBC Holdings PLC F/R 05-24-2032	United Kingdom	Corporate - Non Convertible	USD 140,000	171	155
HSBC Holdings PLC 4.76% 03-29-2033	United Kingdom	Corporate - Non Convertible	USD 520,000	593	635
HSBC Holdings PLC F/R 08-11-2033	United Kingdom	Corporate - Non Convertible	USD 450,000	576	596
HSBC Holdings PLC F/R 11-03-2033	United Kingdom	Corporate - Non Convertible	USD 1,530,000	2,205	2,316
HSBC Holdings PLC 6.50% 09-15-37	United Kingdom	Corporate - Non Convertible	USD 400,000	544	555
HSBC Holdings PLC 6.50% 09-15-2037	United Kingdom	Corporate - Non Convertible	USD 312,000	545	415
Intel Corp. 3.70% 07-29-2025	United States	Corporate - Non Convertible	USD 284,000	428	378
Intel Corp. 4.88% 02-10-2026	United States	Corporate - Non Convertible	USD 750,000	1,008	1,026
Intel Corp. 2.45% 11-15-2029 Callable 2029	United States	Corporate - Non Convertible	USD 992,000	1,269	1,178
Intel Corp. 3.90% 03-25-2030 Callable 2029	United States	Corporate - Non Convertible	USD 59,000	97	76
Intel Corp. 4.75% 03-25-2050 Callable 2049	United States	Corporate - Non Convertible	USD 1,350,000	1,647	1,666
Intel Corp. 5.70% 02-10-2053	United States	Corporate - Non Convertible	USD 2,270,000	3,014	3,124
International Business Machines Corp. 3.30% 05-15-2026	United States	Corporate - Non Convertible	USD 771,000	1,144	1,004
International Business Machines Corp. 3.50% 05-15-2029	United States	Corporate - Non Convertible	USD 1,065,000	1,388	1,352
International Business Machines Corp. 4.25% 05-15-2049	United States	Corporate - Non Convertible	USD 827,000	1,130	958
Johnson & Johnson 0.95% 09-01-2027	United States	Corporate - Non Convertible	USD 1,000,000	1,170	1,196
Johnson & Johnson 3.70% 03-01-2046	United States	Corporate - Non Convertible	USD 430,000	522	521
JP Morgan Chase & Co. F/R 04-22-2051	United States	Corporate - Non Convertible	USD 560,000	510	535
JPMorgan Chase & Co. F/R 07-23-2024 Callable 2023	United States	Corporate - Non Convertible	USD 1,815,000	2,510	2,440
JPMorgan Chase & Co. 3.88% 09-10-2024	United States	Corporate - Non Convertible	USD 471,000	646	626
JPMorgan Chase & Co. 3.13% 01-23-2025	United States	Corporate - Non Convertible	USD 147,000	190	192
JPMorgan Chase & Co. 3.90% 07-15-2025	United States	Corporate - Non Convertible	USD 95,000	123	126
JPMorgan Chase & Co. 2.08% 04-22-2026	United States	Corporate - Non Convertible	USD 1,940,000	2,511	2,453
JPMorgan Chase & Co. 2.95% 10-01-2026	United States	Corporate - Non Convertible	USD 1,135,000	1,425	1,448
JPMorgan Chase & Co. F/R 11-19-2026	United States	Corporate - Non Convertible	USD 640,000	767	772
JPMorgan Chase & Co. F/R 04-22-2027	United States	Corporate - Non Convertible	USD 1,020,000	1,214	1,236

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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (cont'd)</b>					
JPMorgan Chase & Co. F/R 09-22-2027	United States	Corporate - Non Convertible	USD 830,000	975	989
JPMorgan Chase & Co. 3.78% 02-01-2028	United States	Corporate - Non Convertible	USD 1,389,000	1,904	1,792
JPMorgan Chase & Co. F/R 07-23-2029 Callable 2028	United States	Corporate - Non Convertible	USD 28,000	36	37
JPMorgan Chase & Co. F/R 12-05-2029 Callable 2028	United States	Corporate - Non Convertible	USD 1,000,000	1,249	1,314
JPMorgan Chase & Co. F/R 10-15-2030 Callable 2029	United States	Corporate - Non Convertible	USD 2,967,000	3,961	3,499
JPMorgan Chase & Co. F/R 03-24-2031	United States	Corporate - Non Convertible	USD 694,000	1,039	912
JPMorgan Chase & Co. F/R 05-13-2031	United States	Corporate - Non Convertible	USD 1,495,000	1,864	1,747
JPMorgan Chase & Co. F/R 04-22-2032	United States	Corporate - Non Convertible	USD 1,078,000	1,345	1,226
JPMorgan Chase & Co. F/R 11-08-2032	United States	Corporate - Non Convertible	USD 730,000	938	818
JPMorgan Chase & Co. F/R 01-25-2033	United States	Corporate - Non Convertible	USD 1,620,000	1,753	1,873
JPMorgan Chase & Co. 6.40% 05-15-2038	United States	Corporate - Non Convertible	USD 323,000	619	496
JPMorgan Chase & Co. 3.88% 07-24-2038	United States	Corporate - Non Convertible	USD 547,000	850	652
JPMorgan Chase & Co. 5.60% 07-15-2041	United States	Corporate - Non Convertible	USD 155,000	320	218
JPMorgan Chase & Co. 4.26% 02-22-2048	United States	Corporate - Non Convertible	USD 179,000	269	210
JPMorgan Chase & Co. 3.96% 11-15-2048	United States	Corporate - Non Convertible	USD 1,218,000	1,613	1,360
JPMorgan Chase & Co. F/R 04-22-2052	United States	Corporate - Non Convertible	USD 1,246,000	1,349	1,232
The Kraft Heinz Co. 3.88% 05-15-2027	United States	Corporate - Non Convertible	USD 540,000	679	713
The Kraft Heinz Co. 4.38% 06-01-2046	United States	Corporate - Non Convertible	USD 810,000	930	953
Kraft Heinz Foods Co. 3.00% 06-01-2026 Callable 2026	United States	Corporate - Non Convertible	USD 619,000	761	799
Marriott International Inc. 5.75% 05-01-2025 Callable 2025	United States	Corporate - Non Convertible	USD 61,000	90	83
McDonald's Corp. 3.63% 09-01-2049 Callable 2049	United States	Corporate - Non Convertible	USD 5,000	7	5
Merck & Co. Inc. 2.75% 02-10-2025	United States	Corporate - Non Convertible	USD 764,000	1,029	1,008
Merck & Co. Inc. 3.40% 03-07-2029 Callable 2028	United States	Corporate - Non Convertible	USD 422,000	625	548
Merck & Co. Inc. 2.15% 12-10-2031	United States	Corporate - Non Convertible	USD 1,280,000	1,420	1,461
Merck & Co. Inc. 3.70% 02-10-2045 Callable 2044	United States	Corporate - Non Convertible	USD 464,000	630	545
Meta Platforms Inc. 3.85% 08-15-2032	United States	Corporate - Non Convertible	USD 1,100,000	1,362	1,391
MetLife Inc. 6.40% 12-15-2036 Callable 2031	United States	Corporate - Non Convertible	USD 35,000	55	46
Microsoft Corp. 2.88% 02-06-2024	United States	Corporate - Non Convertible	USD 298,000	410	397
Microsoft Corp. 2.70% 02-12-2025 Callable 2024	United States	Corporate - Non Convertible	USD 408,000	534	537
Microsoft Corp. 3.125% 11-03-2025 Callable 2025	United States	Corporate - Non Convertible	USD 230,000	297	303
Microsoft Corp. 2.40% 08-08-2026	United States	Corporate - Non Convertible	USD 1,520,000	1,910	1,955
Microsoft Corp. 3.45% 08-08-2036	United States	Corporate - Non Convertible	USD 997,000	1,331	1,246
Microsoft Corp. 2.53% 06-01-2050	United States	Corporate - Non Convertible	USD 223,000	311	213
Microsoft Corp. 2.92% 03-17-2052 Callable 2052	United States	Corporate - Non Convertible	USD 1,237,000	1,366	1,268
Microsoft Corp. 3.04% 03-17-2062 Callable 2062	United States	Corporate - Non Convertible	USD 153,000	183	155
Mitsubishi UFJ Financial Group Inc. 3.76% 07-26-2023	Japan	Corporate - Non Convertible	USD 449,000	633	603
Mitsubishi UFJ Financial Group Inc. 2.19% 02-25-2025	Japan	Corporate - Non Convertible	USD 404,000	543	514
Mitsubishi UFJ Financial Group F/R 09-12-2025	Japan	Corporate - Non Convertible	USD 900,000	1,204	1,208
Molson Coors Brewing Co. 3.00% 07-15-2026	United States	Corporate - Non Convertible	USD 694,000	917	886
Molson Coors Brewing Co. 4.20% 07-15-2046 Callable 2046	United States	Corporate - Non Convertible	USD 29,000	41	32
Morgan Stanley 3.70% 10-23-2024	United States	Corporate - Non Convertible	USD 1,459,000	2,017	1,931
Morgan Stanley F/R 05-30-2025	United States	Corporate - Non Convertible	USD 1,360,000	1,694	1,740
Morgan Stanley 4.00% 07-23-2025	United States	Corporate - Non Convertible	USD 1,607,000	2,091	2,126
Morgan Stanley 3.88% 01-27-2026	United States	Corporate - Non Convertible	USD 1,507,000	2,044	1,988
Morgan Stanley F/R 04-28-2026 Callable 2025	United States	Corporate - Non Convertible	USD 301,000	424	382
Morgan Stanley 3.13% 07-27-2026	United States	Corporate - Non Convertible	USD 601,000	793	769
Morgan Stanley 4.35% 09-08-2026	United States	Corporate - Non Convertible	USD 811,000	1,246	1,068
Morgan Stanley 3.63% 01-20-2027	United States	Corporate - Non Convertible	USD 744,000	1,129	965
Morgan Stanley F/R 07-20-2027	United States	Corporate - Non Convertible	USD 860,000	1,028	1,033
Morgan Stanley 3.59% 07-22-2028	United States	Corporate - Non Convertible	USD 88,000	107	112
Morgan Stanley F/R 01-24-2029 Callable 2028	United States	Corporate - Non Convertible	USD 450,000	556	576
Morgan Stanley F/R 01-23-2030 Callable 2029	United States	Corporate - Non Convertible	USD 526,000	742	685
Morgan Stanley F/R 01-22-2031	United States	Corporate - Non Convertible	USD 621,000	817	723
Morgan Stanley 3.62% 04-01-2031	United States	Corporate - Non Convertible	USD 813,000	1,184	1,005
Morgan Stanley F/R 07-21-2032	United States	Corporate - Non Convertible	USD 1,670,000	1,803	1,812
Morgan Stanley F/R 09-16-2036	United States	Corporate - Non Convertible	USD 1,690,000	1,709	1,735
Morgan Stanley 3.97% 07-22-2038	United States	Corporate - Non Convertible	USD 151,000	186	180
Morgan Stanley 6.38% 07-24-2042	United States	Corporate - Non Convertible	USD 1,513,000	2,622	2,296
Morgan Stanley 4.30% 01-27-2045	United States	Corporate - Non Convertible	USD 750,000	890	896
Morgan Stanley 4.38% 01-22-2047	United States	Corporate - Non Convertible	USD 131,000	166	158
Morgan Stanley F/R 03-24-2051 Callable 2050	United States	Corporate - Non Convertible	USD 597,000	938	854
MPLX LP 2.65% 08-15-2030	United States	Corporate - Non Convertible	USD 317,000	411	364
MPLX LP 4.50% 04-15-2038 Callable 2037	United States	Corporate - Non Convertible	USD 14,000	20	17

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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (cont'd)</b>					
Mylan NV 3.95% 06-15-2026	United States	Corporate - Non Convertible	USD 665,000	920	855
National Australia Bank Ltd. 3.91% 06-09-2027	Australia	Corporate - Non Convertible	USD 940,000	1,218	1,231
Northrop Grumman Corp. 4.03% 10-15-2047	United States	Corporate - Non Convertible	USD 450,000	678	529
Novartis AG 2.20% 08-14-2030 Callable 2030	Switzerland	Corporate - Non Convertible	USD 623,000	860	738
Novartis Capital Corp. 3.00% 11-20-2025 Callable 2025	China	Corporate - Non Convertible	USD 540,000	683	707
NVIDIA Corp. 2.85% 04-01-2030	United States	Corporate - Non Convertible	USD 650,000	787	800
NVIDIA Corp. 3.50% 04-01-2050 Callable 2049	United States	Corporate - Non Convertible	USD 740,000	795	817
Oracle Corp. 2.95% 05-15-2025	United States	Corporate - Non Convertible	USD 597,000	808	777
Oracle Corp. 1.65% 03-25-2026	United States	Corporate - Non Convertible	USD 670,000	813	832
Oracle Corp. 2.65% 07-15-2026	United States	Corporate - Non Convertible	USD 3,374,000	4,341	4,265
Oracle Corp. 2.80% 04-01-2027 Callable 2027	United States	Corporate - Non Convertible	USD 266,000	345	334
Oracle Corp. 3.25% 11-15-2027	United States	Corporate - Non Convertible	USD 1,002,000	1,406	1,272
Oracle Corp. 2.95% 04-01-2030 Callable 2030	United States	Corporate - Non Convertible	USD 544,000	957	768
Oracle Corp. 2.88% 03-25-2031	United States	Corporate - Non Convertible	USD 3,029,000	3,802	3,504
Oracle Corp. 6.25% 11-09-2032	United States	Corporate - Non Convertible	USD 1,190,000	1,705	1,730
Oracle Corp. 4.30% 07-08-2034	United States	Corporate - Non Convertible	USD 695,000	995	858
Oracle Corp. 3.65% 03-25-2041	United States	Corporate - Non Convertible	USD 147,000	187	153
Oracle Corp. 4.13% 05-15-2045 Callable 2044	United States	Corporate - Non Convertible	USD 4,010,000	4,258	4,258
Oracle Corp. 4.00% 07-15-2046	United States	Corporate - Non Convertible	USD 1,330,000	1,251	1,371
Oracle Corp. 4.00% 11-15-2047	United States	Corporate - Non Convertible	USD 512,000	798	527
Oracle Corp. 3.60% 04-01-2050 Callable 2049	United States	Corporate - Non Convertible	USD 672,000	1,065	642
Oracle Corp. 3.95% 03-25-2051	United States	Corporate - Non Convertible	USD 606,000	653	611
Oracle Corp. 5.55% 02-06-2053	United States	Corporate - Non Convertible	USD 434,000	534	557
Oracle Corp. 3.85% 04-01-2060 Callable 2059	United States	Corporate - Non Convertible	USD 354,000	573	333
Orange SA 9.00% 03-01-2031	France	Corporate - Non Convertible	USD 594,000	1,024	1,008
Otis Worldwide Corp. 2.57% 02-15-2030	United States	Corporate - Non Convertible	USD 438,000	504	519
Pacific Gas and Electric Co. 3.15% 01-01-2026	United States	Corporate - Non Convertible	USD 618,000	845	779
Pacific Gas and Electric Co. 4.55% 07-01-2030 Callable 2030	United States	Corporate - Non Convertible	USD 645,000	990	816
Pacific Gas and Electric Co. 2.50% 02-01-2031	United States	Corporate - Non Convertible	USD 517,000	689	566
Pacific Gas and Electric Co. 4.50% 07-01-2040	United States	Corporate - Non Convertible	USD 747,000	950	829
Pacific Gas and Electric Co. 4.95% 07-01-2050 Callable 2050	United States	Corporate - Non Convertible	USD 865,000	1,290	962
Pacific Gas and Electric Co. 3.50% 08-01-2050 Callable 2050	United States	Corporate - Non Convertible	USD 228,000	278	203
PepsiCo Inc. 2.25% 03-19-2025	United States	Corporate - Non Convertible	USD 380,000	489	494
PepsiCo Inc. 3.00% 10-15-2027 Callable 2027	United States	Corporate - Non Convertible	USD 364,000	559	470
Pfizer Inc. 3.00% 12-15-2026	United States	Corporate - Non Convertible	USD 854,000	1,156	1,111
Pfizer Inc. 3.45% 03-15-2029 Callable 2028	United States	Corporate - Non Convertible	USD 740,000	954	965
Pfizer Inc. 7.20% 03-15-2039	United States	Corporate - Non Convertible	USD 921,000	1,723	1,567
The Procter & Gamble Co. 3.00% 03-25-2030	United States	Corporate - Non Convertible	USD 490,000	597	621
QUALCOMM Inc. 3.25% 05-20-2027	United States	Corporate - Non Convertible	USD 633,000	865	827
Qualcomm Inc. 4.80% 05-20-2045	United States	Corporate - Non Convertible	USD 610,000	796	822
Qualcomm Inc. 4.30% 05-20-2047	United States	Corporate - Non Convertible	USD 850,000	1,125	1,062
Royal Bank of Canada 2.25% 11-01-2024	Canada	Corporate - Non Convertible	USD 224,000	296	290
Royal Bank of Canada 1.15% 06-10-2025	Canada	Corporate - Non Convertible	USD 818,000	1,001	1,018
Royal Bank of Canada 1.20% 04-27-2026	Canada	Corporate - Non Convertible	USD 1,420,000	1,709	1,721
Royal Bank of Canada 2.30% 11-03-2031	Canada	Corporate - Non Convertible	USD 740,000	947	821
The Royal Bank of Scotland Group PLC F/R 01-27-2030 Callable 2029	United Kingdom	Corporate - Non Convertible	USD 381,000	486	501
Royal Dutch Shell PLC 3.25% 05-11-2025	Netherlands	Corporate - Non Convertible	USD 1,109,000	1,498	1,465
Royal Dutch Shell PLC 2.88% 05-10-2026	Netherlands	Corporate - Non Convertible	USD 380,000	475	491
Royal Dutch Shell PLC 6.38% 12-15-2038	Netherlands	Corporate - Non Convertible	USD 807,000	1,388	1,259
Royal Dutch Shell PLC 4.38% 05-11-2045	Netherlands	Corporate - Non Convertible	USD 440,000	633	549
Royal Dutch Shell PLC 4.00% 05-10-2046	Netherlands	Corporate - Non Convertible	USD 603,000	700	712
Royal Dutch Shell PLC 3.25% 04-06-2050 Callable 2049	Netherlands	Corporate - Non Convertible	USD 334,000	472	344
Sabine Pass Liquefaction LLC 5.75% 05-15-2024	United States	Corporate - Non Convertible	USD 682,000	1,004	924
Sabine Pass Liquefaction LLC 5.63% 03-01-2025 Callable 2024	United States	Corporate - Non Convertible	USD 774,000	1,088	1,053
Sabine Pass Liquefaction LLC 5.88% 06-30-2026	United States	Corporate - Non Convertible	USD 505,000	736	696
Sabine Pass Liquefaction LLC 4.50% 05-15-2030	United States	Corporate - Non Convertible	USD 250,000	311	326
salesforce.com Inc. 3.70% 04-11-2028	United States	Corporate - Non Convertible	USD 510,000	729	677
salesforce.com Inc. 1.95% 07-15-2031	United States	Corporate - Non Convertible	USD 568,000	722	642
salesforce.com Inc. 2.90% 07-15-2051	United States	Corporate - Non Convertible	USD 1,333,000	1,406	1,276
Shell International Finance BV 11-07-2029 Callable 2029	Netherlands	Corporate - Non Convertible	USD 765,000	1,035	917
Shell International Finance BV 2.75% 04-06-2030	Netherlands	Corporate - Non Convertible	USD 436,000	626	537

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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (cont'd)</b>					
Shire Acquisitions Investments Ireland Designated Activity Co. 3.20% 09-23-2026 Callable 2026	United States	Corporate - Non Convertible	USD 798,000	999	1,026
Shire PLC 2.88% 09-23-2023	United States	Corporate - Non Convertible	USD 118,000	161	158
Simon Property Group LP 3.25% 09-13-2049 Callable 2049	United States	Corporate - Non Convertible	USD 42,000	54	39
Southern Co. 4.40% 07-01-2046 Callable	United States	Corporate - Non Convertible	USD 580,000	674	683
Suzano Austria GmbH 6.00% 01-15-2029 Callable 2028	Brazil	Corporate - Non Convertible	USD 420,000	537	572
Takeda Pharmaceutical Co. Ltd. 2.05% 03-31-2030 Callable 2029	Japan	Corporate - Non Convertible	USD 825,000	1,126	941
Takeda Pharmaceutical Co. Ltd. 3.18% 07-09-2050	Japan	Corporate - Non Convertible	USD 810,000	786	781
Telefonica Emisiones SA 4.10% 03-08-2027	Spain	Corporate - Non Convertible	USD 555,000	813	725
Telefonica SA 7.05% 06-20-2036	Spain	Corporate - Non Convertible	USD 840,000	1,262	1,254
Telefonica SA 5.21% 03-08-2047	Spain	Corporate - Non Convertible	USD 643,000	917	761
Thermo Fisher Scientific Inc. 1.22% 10-18-2024	United States	Corporate - Non Convertible	USD 670,000	832	859
T-Mobile US Inc. 3.50% 04-15-2025 Class B	United States	Corporate - Non Convertible	USD 872,000	1,173	1,145
T-Mobile US Inc. 3.75% 04-15-2027 Class B	United States	Corporate - Non Convertible	USD 910,000	1,153	1,182
T-Mobile US Inc. 4.75% 02-01-2028 Callable 2023	United States	Corporate - Non Convertible	USD 64,000	84	85
T-Mobile US Inc. 2.05% 02-15-2028	United States	Corporate - Non Convertible	USD 1,275,000	1,626	1,529
T-Mobile US Inc. 3.38% 04-15-2029	United States	Corporate - Non Convertible	USD 1,000,000	1,162	1,235
T-Mobile US Inc. 3.88% 04-15-2030 Class B	United States	Corporate - Non Convertible	USD 860,000	1,058	1,091
T-Mobile US Inc. 2.55% 02-15-2031 Class B	United States	Corporate - Non Convertible	USD 1,037,000	1,308	1,188
T-Mobile US Inc. 3.50% 04-15-2031	United States	Corporate - Non Convertible	USD 1,313,000	1,536	1,597
T-Mobile US Inc. 4.38% 04-15-2040	United States	Corporate - Non Convertible	USD 909,000	1,197	1,100
T-Mobile US Inc. 3.00% 02-15-2041	United States	Corporate - Non Convertible	USD 1,331,000	1,418	1,333
T-Mobile US Inc. 4.50% 04-15-2050	United States	Corporate - Non Convertible	USD 1,606,000	2,065	1,886
T-Mobile USA Inc. 5.38% 04-15-2027	United States	Corporate - Non Convertible	USD 1,289,000	1,738	1,749
The Toronto-Dominion Bank 3.50% 07-19-2023	Canada	Corporate - Non Convertible	USD 3,000	4	4
The Toronto-Dominion Bank 3.77% 06-06-2025	Canada	Corporate - Non Convertible	USD 510,000	656	671
The Toronto-Dominion Bank 4.11% 06-08-2027	Canada	Corporate - Non Convertible	USD 510,000	661	667
The Toronto-Dominion Bank 4.69% 09-15-2027	Canada	Corporate - Non Convertible	USD 770,000	1,028	1,030
The Toronto-Dominion Bank 3.20% 03-10-2032	Canada	Corporate - Non Convertible	USD 990,000	1,169	1,171
The Toronto-Dominion Bank 4.46% 06-08-2032	Canada	Corporate - Non Convertible	USD 1,270,000	1,671	1,671
TOTAL SA 3.13% 05-29-2050	France	Corporate - Non Convertible	USD 637,000	889	637
United States Treasury 2.88% 05-15-2032	United States	Foreign Governments	USD 300,000	376	386
United States Treasury 4.13% 11-15-2032	United States	Foreign Governments	USD 76,000	107	108
United Technologies Corp. 3.65% 08-16-2023 Callable 2023	United States	Corporate - Non Convertible	USD 24,000	32	32
United Technologies Corp. 4.13% 11-16-2028 Callable 2028	United States	Corporate - Non Convertible	USD 658,000	905	876
United Technologies Corp. 4.50% 06-01-2042	United States	Corporate - Non Convertible	USD 594,000	881	759
UnitedHealth Group Inc. 4.75% 07-15-2045	United States	Corporate - Non Convertible	USD 566,000	1,038	750
UnitedHealth Group Inc. 5.88% 02-15-2053	United States	Corporate - Non Convertible	USD 580,000	887	881
US Bancorp 1.45% 05-12-2025	United States	Corporate - Non Convertible	USD 540,000	687	672
US Bancorp F/R 10-21-2026	United States	Corporate - Non Convertible	USD 1,050,000	1,447	1,426
US Bancorp F/R 07-22-2028	United States	Corporate - Non Convertible	USD 660,000	856	869
Vale Overseas Ltd. 6.25% 08-10-2026	Brazil	Corporate - Non Convertible	USD 350,000	479	485
Vale Overseas Ltd. 3.75% 07-08-2030 Callable 2030	Brazil	Corporate - Non Convertible	USD 341,000	478	413
Vale SA 6.88% 11-21-2036	Brazil	Corporate - Non Convertible	USD 408,000	684	577
Verizon Communications Inc. 4.13% 03-16-2027	United States	Corporate - Non Convertible	USD 656,000	848	879
Verizon Communications Inc. 2.10% 03-22-2028	United States	Corporate - Non Convertible	USD 860,000	1,019	1,035
Verizon Communications Inc. 4.33% 09-21-2028	United States	Corporate - Non Convertible	USD 931,000	1,187	1,243
Verizon Communications Inc. 4.02% 12-03-2029 Callable 2029	United States	Corporate - Non Convertible	USD 531,000	800	689
Verizon Communications Inc. 2.55% 03-21-2031	United States	Corporate - Non Convertible	USD 440,000	477	507
Verizon Communications Inc. 2.36% 03-15-2032	United States	Corporate - Non Convertible	USD 1,813,000	2,115	2,010
Verizon Communications Inc. 4.50% 08-10-2033	United States	Corporate - Non Convertible	USD 1,094,000	1,498	1,430
Verizon Communications Inc. 2.65% 11-20-2040	United States	Corporate - Non Convertible	USD 530,000	711	512
Verizon Communications Inc. 3.40% 03-22-2041	United States	Corporate - Non Convertible	USD 820,000	1,038	881
Verizon Communications Inc. 4.86% 08-21-2046	United States	Corporate - Non Convertible	USD 1,170,000	1,582	1,505
Verizon Communications Inc. 3.55% 03-22-2051	United States	Corporate - Non Convertible	USD 1,476,000	1,628	1,519
Verizon Communications Inc. 2.99% 10-30-2056	United States	Corporate - Non Convertible	USD 530,000	477	465
Verizon Communications Inc. 3.00% 11-20-2060	United States	Corporate - Non Convertible	USD 201,000	259	174
Verizon Communications Inc. 3.70% 03-22-2061	United States	Corporate - Non Convertible	USD 1,090,000	1,086	1,096
Viatis Inc. 4.00% 06-22-2050	United States	Corporate - Non Convertible	USD 590,000	533	527
Visa Inc. 3.15% 12-14-2025 Callable 2025	United States	Corporate - Non Convertible	USD 1,367,000	1,835	1,795
Visa Inc. 1.90% 04-15-2027	United States	Corporate - Non Convertible	USD 876,000	1,119	1,089

# MACKENZIE US INVESTMENT GRADE CORPORATE BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2023

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (cont'd)</b>					
Visa Inc. 4.15% 12-14-2035	United States	Corporate - Non Convertible	USD 142,000	243	189
Visa Inc. 4.30% 12-14-2045	United States	Corporate - Non Convertible	USD 451,000	721	586
Visa Inc. 2.00% 08-15-2050	United States	Corporate - Non Convertible	USD 505,000	629	428
VMware Inc. 1.40% 08-15-2026	United States	Corporate - Non Convertible	USD 390,000	462	466
VMware Inc. 2.20% 08-15-2031	United States	Corporate - Non Convertible	USD 380,000	384	406
Vodafone Group PLC 6.15% 02-27-2037	United Kingdom	Corporate - Non Convertible	USD 350,000	501	505
Walmart Inc. 3.70% 06-26-2028 Callable 2028	United States	Corporate - Non Convertible	USD 580,000	763	776
Walmart Inc. 1.80% 09-22-2031	United States	Corporate - Non Convertible	USD 1,130,000	1,249	1,292
The Walt Disney Co. 3.50% 05-13-2040	United States	Corporate - Non Convertible	USD 83,000	126	95
The Walt Disney Co. 2.75% 09-01-2049 Callable 2049	United States	Corporate - Non Convertible	USD 244,000	328	228
The Walt Disney Co. 3.60% 01-13-2051	United States	Corporate - Non Convertible	USD 1,400,000	1,922	1,530
Wells Fargo & Co. 3.30% 09-09-2024	United States	Corporate - Non Convertible	USD 743,000	1,000	979
Wells Fargo & Co. F/R 10-30-2025 Callable 2024	United States	Corporate - Non Convertible	USD 1,234,000	1,693	1,585
Wells Fargo & Co. F/R 04-30-2026	United States	Corporate - Non Convertible	USD 1,250,000	1,581	1,584
Wells Fargo & Co. 4.10% 06-03-2026	United States	Corporate - Non Convertible	USD 1,569,000	2,180	2,053
Wells Fargo & Co. 3.00% 10-23-2026	United States	Corporate - Non Convertible	USD 1,708,000	2,099	2,159
Wells Fargo & Co. F/R 06-17-2027	United States	Corporate - Non Convertible	USD 2,000,000	2,532	2,542
Wells Fargo & Co. 3.58% 05-22-2028	United States	Corporate - Non Convertible	USD 1,160,000	1,460	1,477
Wells Fargo & Co. F/R 06-02-2028	United States	Corporate - Non Convertible	USD 1,672,000	2,159	2,035
Wells Fargo & Co. F/R 10-30-2030 Callable 2029	United States	Corporate - Non Convertible	USD 2,110,000	2,486	2,477
Wells Fargo & Co. F/R 02-11-2031	United States	Corporate - Non Convertible	USD 930,000	1,061	1,065
Wells Fargo & Co. F/R 04-04-2031	United States	Corporate - Non Convertible	USD 1,320,000	1,704	1,708
Wells Fargo & Co. 4.90% 07-25-2033	United States	Corporate - Non Convertible	USD 460,000	588	607
Wells Fargo & Co. 5.61% 01-15-2044	United States	Corporate - Non Convertible	USD 481,000	797	627
Wells Fargo & Co. 4.90% 11-17-2045	United States	Corporate - Non Convertible	USD 369,000	552	444
Wells Fargo & Co. 4.40% 06-14-2046	United States	Corporate - Non Convertible	USD 1,010,000	1,183	1,127
Wells Fargo & Co. 4.75% 12-07-2046	United States	Corporate - Non Convertible	USD 176,000	237	207
Wells Fargo & Co. F/R 04-04-2051 Callable 2050	United States	Corporate - Non Convertible	USD 1,503,000	2,243	1,909
Westpac Banking Corp. 2.85% 05-13-2026	Australia	Corporate - Non Convertible	USD 764,000	938	978
Westpac Banking Corp. 5.46% 11-18-2027	Australia	Corporate - Non Convertible	USD 770,000	1,067	1,078
The Williams Cos Inc. 2.60% 03-15-2031	United States	Corporate - Non Convertible	USD 370,000	395	420
Wyeth LLC 5.95% 04-01-2037	United States	Corporate - Non Convertible	USD 198,000	307	300
<b>Total bonds</b>				<b>537,517</b>	<b>510,073</b>
Transaction costs				-	-
<b>Total investments</b>				<b>537,517</b>	<b>510,073</b>
Derivative instruments (see schedule of derivative instruments)					2,450
Cash and cash equivalents					2,824
Other assets less liabilities					4,757
<b>Net assets attributable to unitholders</b>					<b>520,104</b>

# MACKENZIE US INVESTMENT GRADE CORPORATE BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## SUMMARY OF INVESTMENT PORTFOLIO

MARCH 31, 2023

PORTFOLIO ALLOCATION	% OF NAV
Bonds	98.1
Other assets (liabilities)	1.4
Cash and short-term investments	0.5

REGIONAL ALLOCATION	% OF NAV
United States	86.3
United Kingdom	3.1
Canada	2.0
Ireland	1.6
Netherlands	1.5
Other assets (liabilities)	1.4
Japan	0.8
Spain	0.6
Australia	0.5
Cash and short-term investments	0.5
China	0.5
Brazil	0.4
France	0.4
Switzerland	0.3
Norway	0.1

SECTOR ALLOCATION	% OF NAV
Corporate bonds – Financial	39.9
Corporate bonds – Industrial	34.1
Corporate bonds – Communication	10.9
Corporate bonds – Infrastructure	9.9
Corporate bonds – Energy	3.0
Other assets (liabilities)	1.4
Cash and short-term investments	0.5
Federal bonds	0.1
Corporate bonds – Real estate	0.1
Foreign government bonds	0.1

MARCH 31, 2022

PORTFOLIO ALLOCATION	% OF NAV
Bonds	96.4
<i>Bonds</i>	<i>94.0</i>
<i>Long bond futures</i>	<i>2.4</i>
Other assets (liabilities)	2.7
Cash and short-term investments	0.9

REGIONAL ALLOCATION	% OF NAV
United States	83.2
United Kingdom	4.2
Other assets (liabilities)	2.7
Ireland	1.8
Netherlands	1.5
Japan	1.1
Spain	1.1
Canada	0.9
Cash and short-term investments	0.9
Australia	0.5
France	0.5
China	0.5
Mexico	0.4
Macau	0.3
Brazil	0.3
Other	0.1

SECTOR ALLOCATION	% OF NAV
Corporate bonds – Banking	23.9
Corporate bonds – Healthcare	12.7
Corporate bonds – Financial services	12.4
Corporate bonds – Technology and electronics	10.8
Corporate bonds – Telecommunications	10.2
Corporate bonds – Energy	5.8
Corporate bonds – Consumer goods	4.2
Corporate bonds – Retail	4.1
Corporate bonds – Capital goods	3.9
Other	3.2
Other assets (liabilities)	2.7
Corporate bonds – Media	2.1
Corporate bonds – Utility	1.3
Corporate bonds – Basic industry	1.1
Cash and short-term investments	0.9
Corporate bonds – Leisure	0.4
Corporate bonds – Automotive	0.3

# MACKENZIE US INVESTMENT GRADE CORPORATE BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## SCHEDULE OF DERIVATIVE INSTRUMENTS

as at March 31, 2023

### Schedule of Forward Currency Contracts

Counterparty Credit Rating	Currency to be Received (\$ 000)		Currency to be Delivered (\$ 000)		Settlement Date	Contract Cost (\$ 000)	Current Fair Value (\$ 000)	Unrealized Gains (\$ 000)	Unrealized Losses (\$ 000)	
A	201,894	CAD	(148,623)	USD	Apr. 4, 2023	(201,894)	(200,864)	1,030	–	
A	215,528	CAD	(158,660)	USD	Apr. 4, 2023	(215,528)	(214,429)	1,099	–	
AA	109,814	CAD	(80,839)	USD	Apr. 4, 2023	(109,814)	(109,254)	560	–	
AA	2,120	CAD	(1,560)	USD	Apr. 4, 2023	(2,120)	(2,109)	11	–	
A	2,358	CAD	(1,743)	USD	Apr. 4, 2023	(2,358)	(2,356)	2	–	
A	19,343	USD	(26,385)	CAD	Apr. 4, 2023	26,385	26,141	–	(244)	
A	250	USD	(346)	CAD	Apr. 4, 2023	346	338	–	(8)	
<b>Total forward currency contracts</b>								<b>2,702</b>	<b>(252)</b>	
<b>Total Derivative assets</b>										<b>2,702</b>
<b>Total Derivative liabilities</b>										<b>(252)</b>



# MACKENZIE US INVESTMENT GRADE CORPORATE BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## 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 is wholly owned by IGM Financial Inc., a subsidiary of Power Corporation of Canada. Canada Life Investment Management Ltd. (“CLIML”) is wholly owned by The Canada Life Assurance Company (“Canada Life”), a subsidiary of Power Corporation of Canada. 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.

# MACKENZIE US INVESTMENT GRADE CORPORATE BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## 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.

# MACKENZIE US INVESTMENT GRADE CORPORATE BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## 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.

# MACKENZIE US INVESTMENT GRADE CORPORATE BOND INDEX ETF (CAD-HEDGED)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2023

## 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.

# MACKENZIE US INVESTMENT GRADE CORPORATE BOND INDEX ETF (CAD-HEDGED)

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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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## NOTES TO FINANCIAL STATEMENTS

### 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		

# MACKENZIE US INVESTMENT GRADE CORPORATE BOND INDEX ETF (CAD-HEDGED)

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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: January 9, 2018

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.

CAD Units were listed on the TSX under the symbol QUIG on January 29, 2018. 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 \$87.48 (2022 – \$96.18).

The management fee rate for CAD Units is 0.15%.

As at March 31, 2023, the ETF's NAV per unit was \$87.27 (2022 – \$96.29) and its Net Assets per unit calculated in accordance with IFRS was \$87.27 (2022 – \$96.29).

#### (b) Tax Loss Carryforwards

Total Capital Loss \$	Total Non-Capital Loss \$	Expiration Date of Non-Capital Losses													
		2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
37,761	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

#### (c) Securities Lending

	March 31, 2023		March 31, 2022	
	(\$)		(\$)	
Value of securities loaned	726		433	
Value of collateral received	763		455	

  

	March 31, 2023		March 31, 2022	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	1	100.0	4	100.0
Tax withheld	-	-	-	-
	1	100.0	4	100.0
Payments to Securities Lending Agent	-	-	(1)	(25.0)
Securities lending income	1	100.0	3	75.0

#### (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 Select USD Investment Grade Corporate Hedged to CAD Index, or any successor thereto. It invests primarily in U.S. investment grade corporate bonds issued in U.S. dollars, either directly or indirectly, with its foreign currency exposure hedged back to the Canadian dollar.

##### 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%	
					(\$)	%	(\$)	%
USD	510,073	2,727	(502,533)	10,267				
Total	510,073	2,727	(502,533)	10,267				
% of Net Assets	98.1	0.5	(96.6)	2.0				
Total currency rate sensitivity					(513)	(0.1)	513	0.1

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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 (cont'd)

Currency	March 31, 2022				Impact on net assets			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)	Strengthened by 5%		Weakened by 5%	
					(\$)	%	(\$)	%
USD	296,649	201	(305,953)	(9,103)				
Total	296,649	201	(305,953)	(9,103)				
% of Net Assets	93.9	0.1	(96.9)	(2.9)				
Total currency rate sensitivity					455	0.1	(455)	(0.1)

\* Includes both monetary and non-monetary financial instruments

##### iii. Interest rate risk

The tables below summarize the ETF's exposure to interest rate risks from its investments in bonds by term to maturity.

March 31, 2023	Bonds (\$)	Derivative Instruments (\$)	Impact on net assets			
			Increase by 1%		Decrease by 1%	
			(\$)	(%)	(\$)	(%)
Less than 1 year	53,852	–				
1-5 years	175,823	–				
5-10 years	125,664	–				
Greater than 10 years	154,734	–				
Total	510,073	–				
Total sensitivity to interest rate changes			(36,090)	(6.9)	36,090	6.9

March 31, 2022	Bonds (\$)	Derivative Instruments (\$)	Impact on net assets			
			Increase by 1%		Decrease by 1%	
			(\$)	(%)	(\$)	(%)
Less than 1 year	21,780	7,668				
1-5 years	99,367	–				
5-10 years	75,064	–				
Greater than 10 years	100,438	–				
Total	296,649	7,668				
Total sensitivity to interest rate changes			(24,155)	(7.6)	24,155	7.6

##### iv. Other price risk

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



# MACKENZIE US INVESTMENT GRADE CORPORATE BOND INDEX ETF (CAD-HEDGED)

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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)

##### v. Credit risk

The ETF's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum exposure to any one debt issuer as at March 31, 2023, was 5.8% (2022 – 5.9%) of the net assets of the ETF.

As at March 31, 2023 and 2022, debt securities by credit rating are as follows:

Bond Rating*	March 31, 2023	March 31, 2022
	% of Net Assets	% of Net Assets
AAA	1.5	1.3
AA	10.1	8.1
A	31.1	28.9
BBB	54.6	55.1
Less than BBB	–	0.4
Unrated	0.8	0.1
Total	98.1	93.9

\* Credit ratings and rating categories are based on ratings issued by a designated rating organization

#### (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 (\$)
Bonds	–	510,073	–	510,073	–	296,649	–	296,649
Derivative assets	–	2,702	–	2,702	12	7,396	–	7,408
Derivative liabilities	–	(252)	–	(252)	(59)	(1,733)	–	(1,792)
Total	–	512,523	–	512,523	(47)	302,312	–	302,265

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 Mackenzie and Affiliates

The investments held by the Manager, other funds managed by the Manager, and funds managed by affiliates of the Manager were as follows:

	March 31, 2023	March 31, 2022
	(\$)	(\$)
The Manager	–	–
Other funds managed by the Manager	457,707	209,148
Funds managed by affiliates of the Manager	52,970	100,107

#### (h) Offsetting of Financial Assets and Liabilities

The tables below present financial assets and financial liabilities that are subject to master netting arrangements or other similar agreements and the net impact on the ETF's Statements of Financial Position if all set-off rights were exercised as part of future events such as bankruptcy or termination of contracts. No amounts were offset in the financial statements.

	March 31, 2023			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	1,601	(244)	–	1,357
Unrealized losses on derivative contracts	(244)	244	–	–
Liability for options written	–	–	–	–
Total	1,357	–	–	1,357

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## NOTES TO FINANCIAL STATEMENTS

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

#### (h) Offsetting of Financial Assets and Liabilities (cont'd)

	March 31, 2022			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	–	–	–	–
Unrealized losses on derivative contracts	(1,574)	–	–	(1,574)
Liability for options written	–	–	–	–
Total	(1,574)	–	–	(1,574)

#### (i) Interest in Unconsolidated Structured Entities

As at March 31, 2023 and 2022, the ETF had no investments in Underlying Funds.