

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2025

MANAGEMENT REPORT

Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by I.G. Investment Management, Ltd., as Manager of IG Mackenzie Mortgage and Short Term Income Fund (the "Fund"). 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 IFRS Accounting 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 I.G. Investment Management, Ltd. 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.

KPMG LLP is the external auditor of the Fund. 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 securityholders its opinion on the financial statements. Its report is set out below.

On behalf of I.G. Investment Management, Ltd.,
Manager of the Fund

Signed "Florence S. Narine"

Florence S. Narine
President
I.G. Investment Management, Ltd.

June 5, 2025

Signed "Terry Rountes"

Terry Rountes
Chief Financial Officer, Funds
I.G. Investment Management, Ltd.

INDEPENDENT AUDITOR'S REPORT

To the Securityholders of IG Mackenzie Mortgage and Short Term Income Fund (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise:

- the statements of financial position as at March 31, 2025 and March 31, 2024
- the statements of comprehensive income for the periods then ended as indicated in note 1
- the statements of changes in financial position for the periods then ended as indicated in note 1
- the statements of cash flows for the periods then ended as indicated in note 1 and
- notes to the financial statements, including a summary of material 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 Fund as at March 31, 2025 and March 31, 2024, and its financial performance and cash flows for the periods then ended as indicated in note 1 in accordance with IFRS Accounting Standards.

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 Fund 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.

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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 of the Fund filed with the relevant Canadian Securities Commissions.

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 of the Fund 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 IFRS Accounting Standards, 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 Fund'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 Fund 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 Fund.

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 Fund'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 Fund 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.



Chartered Professional Accountants
Winnipeg, Canada
June 5, 2025

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2025

STATEMENTS OF FINANCIAL POSITION

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

	2025	2024
	\$	\$
ASSETS		
Current assets		
Investments at fair value	3,099,435	3,276,818
Cash and cash equivalents	65,252	60,603
Accrued interest receivable	13,800	18,981
Dividends receivable	–	11
Accounts receivable for investments sold	61,740	432
Accounts receivable for securities issued	–	–
Due from manager	14	14
Margin on derivatives	2,533	2,232
Derivative assets	270	137
Total assets	3,243,044	3,359,228
LIABILITIES		
Current liabilities		
Accounts payable for investments purchased	77,777	6,295
Accounts payable for securities redeemed	–	813
Due to manager	48	29
Derivative liabilities	303	982
Total liabilities	78,128	8,119
Net assets attributable to securityholders	3,164,916	3,351,109

STATEMENTS OF COMPREHENSIVE INCOME

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

	2025	2024
	\$	\$
Income		
Dividends	59	111
Interest income for distribution purposes	127,395	124,616
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	28,710	(49,859)
Net unrealized gain (loss)	84,907	99,520
Securities lending income	157	140
Fee rebate income	15	64
Total income (loss)	241,243	174,592
Expenses (note 6)		
Management fees	2,929	3,195
Management fee rebates	(3)	(3)
Administration fees	403	397
Interest charges	2	40
Trustee fees	245	241
Mortgage administration and servicing fees	2,279	2,674
Commissions and other portfolio transaction costs	91	71
Independent Review Committee fees	7	8
Other	1	8
Expenses before amounts absorbed by Manager	5,954	6,631
Expenses absorbed by Manager	–	–
Net expenses	5,954	6,631
Increase (decrease) in net assets attributable to securityholders from operations before tax	235,289	167,961
Foreign withholding tax expense (recovery)	–	(14)
Foreign income tax expense (recovery)	–	–
Increase (decrease) in net assets attributable to securityholders from operations	235,289	167,975

Net assets attributable to securityholders (note 3)

	per security		per series	
	2025	2024	2025	2024
Series A	–	9.15	–	29,546
Series B	9.46	9.14	40,094	18,411
Series C	4.83	4.67	27,156	30,724
Series F	9.72	9.40	345,597	274,635
Series J DSC	–	9.21	–	12,900
Series J NL	9.51	9.20	17,628	6,547
Series P	10.67	10.32	2,682,811	2,927,537
Series S	9.64	9.32	51,630	50,809
			3,164,916	3,351,109

Increase (decrease) in net assets attributable to securityholders from operations (note 3)

	per security		per series	
	2025	2024	2025	2024
Series A	0.01	0.27	17	1,026
Series B	0.50	0.27	2,207	629
Series C	0.24	0.14	1,492	1,067
Series F	0.63	0.44	19,406	12,822
Series J DSC	–	0.30	4	472
Series J NL	0.54	0.29	1,012	232
Series P	0.73	0.52	208,374	149,977
Series S	0.51	0.32	2,777	1,750
			235,289	167,975

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

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2025

STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	Total		Series A		Series B		Series C		Series F					
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024				
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS														
Beginning of period	3,351,109	3,678,155	29,546	40,591	18,411	25,366	30,724	38,941	274,635	279,905				
Increase (decrease) in net assets from operations	235,289	167,975	17	1,026	2,207	629	1,492	1,067	19,406	12,822				
Distributions paid to securityholders:														
Investment income	(119,695)	(116,759)	(39)	(573)	(705)	(353)	(507)	(592)	(9,611)	(8,717)				
Capital gains	—	—	—	—	—	—	—	—	—	—				
Management fee rebates	(3)	(3)	—	—	—	—	—	—	—	—				
Total distributions paid to securityholders	(119,698)	(116,762)	(39)	(573)	(705)	(353)	(507)	(592)	(9,611)	(8,717)				
Security transactions:														
Proceeds from securities issued	733,627	524,224	30	417	31,522	2,510	29,585	412	172,661	109,162				
Reinvested distributions	113,431	110,841	38	560	679	336	497	579	3,399	2,861				
Payments on redemption of securities	(1,148,842)	(1,013,324)	(29,592)	(12,475)	(12,020)	(10,077)	(34,635)	(9,683)	(114,893)	(121,398)				
Total security transactions	(301,784)	(378,259)	(29,524)	(11,498)	20,181	(7,231)	(4,553)	(8,692)	61,167	(9,375)				
Increase (decrease) in net assets attributable to securityholders	(186,193)	(327,046)	(29,546)	(11,045)	21,683	(6,955)	(3,568)	(8,217)	70,962	(5,270)				
End of period	3,164,916	3,351,109	—	29,546	40,094	18,411	27,156	30,724	345,597	274,635				
Increase (decrease) in fund securities (in thousands) (note 7):														
Securities outstanding – beginning of period			Securities	3,230	4,507	Securities	2,014	2,818	Securities	6,586	8,477	Securities	29,225	30,252
Issued				4	46		3,443	279		6,337	90		17,975	11,781
Reinvested distributions				4	62		73	37		105	126		355	309
Redeemed				(3,238)	(1,385)		(1,290)	(1,120)		(7,400)	(2,107)		(11,998)	(13,117)
Securities outstanding – end of period				—	3,230		4,240	2,014		5,628	6,586		35,557	29,225

	Series J DSC		Series J NL		Series P		Series S	
	2025	2024	2025	2024	2025	2024	2025	2024
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS								
Beginning of period	12,900	16,502	6,547	8,835	2,927,537	3,215,054	50,809	52,961
Increase (decrease) in net assets from operations	4	472	1,012	232	208,374	149,977	2,777	1,750
Distributions paid to securityholders:								
Investment income	(20)	(286)	(349)	(142)	(107,439)	(105,099)	(1,025)	(997)
Capital gains	—	—	—	—	—	—	—	—
Management fee rebates	—	(2)	(3)	(1)	—	—	—	—
Total distributions paid to securityholders	(20)	(288)	(352)	(143)	(107,439)	(105,099)	(1,025)	(997)
Security transactions:								
Proceeds from securities issued	299	1,549	15,873	2,451	467,058	393,615	16,599	14,108
Reinvested distributions	20	275	334	134	107,439	105,099	1,025	997
Payments on redemption of securities	(13,203)	(5,610)	(5,786)	(4,962)	(920,158)	(831,109)	(18,555)	(18,010)
Total security transactions	(12,884)	(3,786)	10,421	(2,377)	(345,661)	(332,395)	(931)	(2,905)
Increase (decrease) in net assets attributable to securityholders	(12,900)	(3,602)	11,081	(2,288)	(244,726)	(287,517)	821	(2,152)
End of period	—	12,900	17,628	6,547	2,682,811	2,927,537	51,630	50,809
Increase (decrease) in fund securities (in thousands) (note 7):								
Securities outstanding – beginning of period	1,401	1,820	712	976	283,775	316,497	5,451	5,771
Issued	33	171	1,721	269	44,277	38,522	1,749	1,537
Reinvested distributions	2	30	36	15	10,245	10,355	108	109
Redeemed	(1,436)	(620)	(616)	(548)	(86,863)	(81,599)	(1,953)	(1,966)
Securities outstanding – end of period	—	1,401	1,853	712	251,434	283,775	5,355	5,451

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

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

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STATEMENTS OF CASH FLOWS

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

	2025	2024
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	235,289	167,975
Adjustments for:		
Net realized loss (gain) on investments	(27,914)	45,109
Change in net unrealized loss (gain) on investments	(84,907)	(99,520)
Distributions received in-kind from underlying funds	(3,821)	(64)
Purchase of investments	(1,789,319)	(1,467,962)
Proceeds from sale and maturity of investments	2,092,743	1,870,064
(Increase) decrease in accounts receivable and other assets	4,891	1,228
Increase (decrease) in accounts payable and other liabilities	19	9
Net cash provided by (used in) operating activities	426,981	516,839
Cash flows from financing activities		
Proceeds from securities issued	685,880	508,500
Payments on redemption of securities	(1,101,908)	(996,790)
Distributions paid net of reinvestments	(6,267)	(5,921)
Net cash provided by (used in) financing activities	(422,295)	(494,211)
Net increase (decrease) in cash and cash equivalents	4,686	22,628
Cash and cash equivalents at beginning of period	60,603	37,865
Effect of exchange rate fluctuations on cash and cash equivalents	(37)	110
Cash and cash equivalents at end of period	65,252	60,603
Cash	4,791	20,626
Cash equivalents	60,461	39,977
Cash and cash equivalents at end of period	65,252	60,603
Supplementary disclosures on cash flow from operating activities:		
Dividends received	70	103
Foreign taxes paid (recovered)	–	(14)
Interest received	132,576	121,696
Interest paid	2	40

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

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

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SCHEDULE OF INVESTMENTS

as at March 31, 2025

Investment Name	Country	Sector	Par Value/ Number of Shares/Units	Average Cost (\$ '000)	Fair Value (\$ '000)
MORTGAGES	Canada	See Schedules 1-5	1,340,394,860	1,340,462	1,307,459
BONDS					
Algonquin Power & Utilities Corp. F/R 01-18-2082	Canada	Corporate - Non Convertible	1,828,000	1,828	1,762
Allied Properties Real Estate Investment Trust 4.31% 04-07-2027	Canada	Corporate - Non Convertible	2,570,000	2,570	2,578
Allied Properties Real Estate Investment Trust 4.81% 02-24-2029	Canada	Corporate - Non Convertible	9,226,000	9,219	9,253
AltaGas Ltd. F/R 01-11-2082	Canada	Corporate - Non Convertible	1,130,000	1,130	1,096
ARC Resources Ltd. 2.35% 03-10-2026	Canada	Corporate - Non Convertible	5,880,000	5,880	5,838
Ascend Wellness Holdings Inc. Term Loan 1st Lien F/R 08-27-2025	United States	Term Loans	USD 344,727	433	493
ATCO Ltd. F/R 11-01-2078 Callable 2028	Canada	Corporate - Non Convertible	1,710,000	1,681	1,759
Athene Global Funding 2.47% 06-09-2028	United States	Corporate - Non Convertible	24,075,000	22,411	23,370
Athene Global Funding 5.11% 03-07-2029	United States	Corporate - Non Convertible	12,280,000	12,422	12,967
Bank of America Corp. F/R 03-16-2028	United States	Corporate - Non Convertible	35,605,000	35,043	35,884
Bank of Montreal 3.65% 04-01-2027	Canada	Corporate - Non Convertible	30,219,000	29,931	30,525
Bank of Montreal 4.31% 06-01-2027	Canada	Corporate - Non Convertible	11,878,000	11,818	12,151
Bank of Montreal 4.42% 07-17-2029	Canada	Corporate - Non Convertible	9,979,000	9,979	10,350
Bank of Montreal F/R 03-05-2035	Canada	Corporate - Non Convertible	890,000	890	890
Bank of Montreal F/R 11-26-2082	Canada	Corporate - Non Convertible	4,667,000	4,672	4,917
The Bank of Nova Scotia F/R 09-26-2030	Canada	Corporate - Non Convertible	51,761,000	51,895	52,417
The Bank of Nova Scotia F/R 08-02-2033	Canada	Corporate - Non Convertible	1,990,000	1,990	2,109
Bell Canada 3.60% 09-29-2027 Callable 2027	Canada	Corporate - Non Convertible	13,103,000	12,219	13,208
BMW Canada Inc. 3.91% 10-13-2026	Germany	Corporate - Non Convertible	10,293,000	10,293	10,397
Brookfield Infrastructure Finance ULC 4.20% 09-11-2028 Callable 2028	Canada	Corporate - Non Convertible	22,000	21	22
Brookfield Infrastructure Finance ULC F/R 03-15-2055	Canada	Corporate - Non Convertible	USD 4,314,000	6,026	6,151
Canadian Core Real Estate LP 4.48% 10-16-2029	Canada	Corporate - Non Convertible	1,680,000	1,680	1,705
Canadian Imperial Bank of Commerce 4.95% 06-29-2027	Canada	Corporate - Non Convertible	10,030,000	10,118	10,401
Canadian Imperial Bank of Commerce F/R 04-07-2032	Canada	Corporate - Non Convertible	3,514,000	3,469	3,560
Canadian Imperial Bank of Commerce F/R 01-16-2034	Canada	Corporate - Non Convertible	2,990,000	2,990	3,140
Canadian Imperial Bank of Commerce F/R 04-02-2035	Canada	Corporate - Non Convertible	5,400,000	5,392	5,412
Canadian Imperial Bank of Commerce 4.38% 10-28-2080	Canada	Corporate - Non Convertible	8,151,000	7,931	8,141
Canadian Imperial Bank of Commerce F/R 07-28-2082	Canada	Corporate - Non Convertible	3,447,000	3,438	3,595
Canadian Natural Resources Ltd. 4.15% 12-15-2031	Canada	Corporate - Non Convertible	340,000	339	344
Canadian Western Bank 4.27% 02-08-2027	Canada	Corporate - Non Convertible	7,844,000	7,844	8,028
Canadian Western Bank 5.15% 09-02-2027	Canada	Corporate - Non Convertible	8,440,000	8,385	8,848
Canadian Western Bank 5.95% 01-29-2034	Canada	Corporate - Non Convertible	1,650,000	1,651	1,772
Cannabist Co. Holdings Inc. 6.00% 06-29-2025	Canada	Corporate - Convertible	USD 230,000	283	202
Cannabist Co. Holdings Inc. 9.50% 02-03-2026	Canada	Corporate - Non Convertible	USD 210,000	265	166
Capital Power Corp. 5.38% 01-25-2027	Canada	Corporate - Non Convertible	17,055,000	17,299	17,680
Genovus Energy Inc. 3.50% 02-07-2028 Callable 2027	Canada	Corporate - Non Convertible	4,770,000	4,678	4,780
Central 1 Credit Union 5.88% 11-10-2026	Canada	Corporate - Non Convertible	1,800,000	1,800	1,871
Central 1 Credit Union 4.65% 02-07-2028	Canada	Corporate - Non Convertible	2,773,000	2,773	2,855
Central 1 Credit Union F/R 06-30-2031	Canada	Corporate - Non Convertible	17,500,000	17,500	17,254
CGI Inc. 3.99% 09-07-2027	Canada	Corporate - Non Convertible	3,070,000	3,070	3,123
Chartwell Retirement Residences 3.65% 05-06-2028	Canada	Corporate - Non Convertible	2,030,000	2,027	2,028
Choice Properties Real Estate Investment Trust 2.85% 05-21-2027	Canada	Corporate - Non Convertible	313,000	285	310
GIFI Holdings Group Co. Ltd. 6.00% 07-16-2025	China	Corporate - Non Convertible	USD 1,375,000	443	232
CNH Industrial Capital Canada Ltd. 4.00% 04-11-2028	United States	Corporate - Non Convertible	18,573,000	18,587	18,878
Coast Capital Savings Federal Credit Union 4.52% 10-18-2027	Canada	Corporate - Non Convertible	5,961,000	5,961	6,059
Coast Capital Savings Federal Credit Union F/R 05-02-2033	Canada	Corporate - Non Convertible	4,650,000	4,650	4,949
Coastal Gaslink Pipeline LP 4.67% 06-30-2027	Canada	Corporate - Non Convertible	21,805,000	21,822	22,521
Coastal Gaslink Pipeline LP 4.69% 09-30-2029	Canada	Corporate - Non Convertible	19,125,000	19,680	20,118
Cogeco Communications Inc. 6.13% 02-27-2029	Canada	Corporate - Non Convertible	11,589,000	11,886	11,997
Cologix Data Centers Issuer LLC 4.94% 01-25-2052	Canada	Mortgage Backed	79,000	79	77
Cologix Data Centers Issuer LLC 5.68% 01-25-2052	Canada	Mortgage Backed	187,000	187	181
CommScope Inc. 4.75% 09-01-2029 144A	United States	Corporate - Non Convertible	USD 137,000	171	176
CommScope Technologies Finance LLC 8.25% 03-01-2027 144A	United States	Corporate - Non Convertible	USD 116,000	152	159
Corus Entertainment Inc. 5.00% 05-11-2028	Canada	Corporate - Non Convertible	641,000	641	215
Country Garden Holdings Co. Ltd. 2.70% 07-12-2026	China	Corporate - Non Convertible	USD 2,375,000	2,021	334
Curaleaf Holdings Inc. 8.00% 12-15-2026	United States	Corporate - Non Convertible	USD 3,190,000	4,089	4,317
Dollarama Inc. 1.87% 07-08-2026	Canada	Corporate - Non Convertible	8,467,000	7,697	8,355
Dollarama Inc. 5.53% 09-26-2028	Canada	Corporate - Non Convertible	6,246,000	6,237	6,676
Dream Industrial Real Estate Investment Trust 2.54% 12-07-2026	Canada	Corporate - Non Convertible	4,210,000	4,185	4,150

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SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2025

Investment Name	Country	Sector	Par Value/ Number of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
BONDS (cont'd)					
Dream Industrial Real Estate Investment Trust 2.06% 06-17-2027	Canada	Corporate - Non Convertible	2,808,000	2,704	2,724
Dream Industrial Real Estate Investment Trust 5.38% 03-22-2028	Canada	Corporate - Non Convertible	2,690,000	2,697	2,811
The Empire Life Insurance Co. 5.50% 01-13-2033	Canada	Corporate - Non Convertible	1,870,000	1,870	1,955
The Empire Life Insurance Co. 3.63% 04-17-2081	Canada	Corporate - Non Convertible	500,000	500	453
Enbridge Inc. 3.55% 02-25-2028	Canada	Corporate - Non Convertible	7,643,000	7,641	7,691
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate - Non Convertible	7,348,000	6,613	7,473
Equitable Bank 3.92% 09-24-2026	Canada	Corporate - Non Convertible	17,906,000	17,916	18,054
Equitable Bank 3.99% 03-24-2028	Canada	Corporate - Non Convertible	3,260,000	3,241	3,299
Fairfax Financial Holdings Ltd. 4.23% 06-14-2029 Callable 2029	Canada	Corporate - Non Convertible	1,500,000	1,520	1,534
Fédération des Caisses Desjardins du Québec 4.41% 05-19-2027	Canada	Corporate - Non Convertible	5,270,000	5,270	5,406
Fédération des Caisses Desjardins du Québec F/R 01-24-2035	Canada	Corporate - Non Convertible	11,290,000	11,290	11,401
First Capital Real Estate Investment Trust 3.45% 03-01-2028	Canada	Corporate - Non Convertible	11,530,000	11,221	11,455
First Capital Real Estate Investment Trust 4.51% 06-03-2030	Canada	Corporate - Non Convertible	1,090,000	1,090	1,108
First Capital Realty Inc. 3.75% 07-12-2027 Callable 2027	Canada	Corporate - Non Convertible	5,036,000	4,970	5,057
First National Financial Corp. 6.26% 11-01-2027	Canada	Corporate - Non Convertible	2,585,000	2,585	2,732
First West Credit Union 4.25% 03-24-2027	Canada	Corporate - Non Convertible	6,115,000	6,115	6,132
Ford Credit Canada Co. 7.38% 05-12-2026	United States	Corporate - Non Convertible	13,215,000	13,754	13,657
Ford Credit Canada Co. 4.61% 09-13-2027	United States	Corporate - Non Convertible	6,913,000	6,921	6,924
Frontera Generation Holdings LLC Term Loan 1st Lien F/R 07-28-2026	United States	Term Loans	USD 136,311	173	283
G Cooper Equipment Rentals Ltd. 7.45% 07-04-2029	Canada	Corporate - Non Convertible	5,156,000	5,156	5,240
General Motors Financial of Canada Ltd. 5.20% 02-09-2028	United States	Corporate - Non Convertible	1,850,000	1,849	1,913
George Weston Ltd. 4.19% 09-05-2029	Canada	Corporate - Non Convertible	2,140,000	2,142	2,188
GFL Environmental Inc. 3.50% 09-01-2028 144A	Canada	Corporate - Non Convertible	USD 176,000	224	240
Gibson Energy Inc. F/R 12-22-2080	Canada	Corporate - Non Convertible	750,000	753	729
Gibson Energy Inc. F/R 07-12-2083	Canada	Corporate - Non Convertible	550,000	557	602
Gildan Activewear Inc. 3.63% 03-13-2028	Canada	Corporate - Non Convertible	10,007,000	10,007	10,029
The Goldman Sachs Group Inc. F/R 11-30-2027	United States	Corporate - Non Convertible	10,458,000	10,253	10,367
Government of Canada 3.25% 09-01-2028	Canada	Federal Government	40,000,000	40,284	40,942
Government of Canada 2.25% 06-01-2029	Canada	Federal Government	15,000,000	14,573	14,827
Government of Canada 3.50% 09-01-2029	Canada	Federal Government	76,910,000	78,677	79,821
Granite REIT Holdings LP 4.00% 10-04-2029	Canada	Corporate - Non Convertible	2,150,000	2,150	2,153
H&R Real Estate Investment Trust 4.07% 06-16-2025 Callable 2025	Canada	Corporate - Non Convertible	7,422,000	7,554	7,429
Heathrow Funding Ltd. 3.25% 05-21-2025	United Kingdom	Corporate - Non Convertible	2,350,000	2,460	2,350
Hydro One Inc. 4.91% 01-27-2028	Canada	Corporate - Non Convertible	13,292,000	13,411	13,953
Hyundai Capital Canada Inc. 4.49% 07-26-2027	Canada	Corporate - Non Convertible	14,713,000	14,896	15,063
iA Financial Corp. Inc. F/R 12-05-2034	Canada	Corporate - Non Convertible	1,960,000	1,968	1,986
iA Financial Corp. Inc. F/R 09-30-2084	Canada	Corporate - Non Convertible	22,663,000	22,663	23,559
Intact Financial Corp. F/R 05-16-2034	Canada	Corporate - Non Convertible	1,380,000	1,380	1,440
Intact Financial Corp. F/R 03-31-2081	Canada	Corporate - Non Convertible	8,155,000	7,994	8,010
Inter Pipeline Ltd. 3.48% 12-16-2026 Callable 2026	Canada	Corporate - Non Convertible	2,211,000	2,340	2,211
Inter Pipeline Ltd. 4.23% 06-01-2027	Canada	Corporate - Non Convertible	17,482,000	17,355	17,693
Inter Pipeline Ltd. F/R 03-26-2079 Callable 2029	Canada	Corporate - Non Convertible	1,510,000	1,510	1,552
Inter Pipeline Ltd. F/R 11-19-2079 Callable 2029	Canada	Corporate - Non Convertible	210,000	202	214
International Bank for Reconstruction and Development 0% 03-31-2027	Supra - National	n/a	USD 5,450,000	6,495	7,231
John Deere Financial Inc. 4.95% 06-14-2027	United States	Corporate - Non Convertible	8,636,000	8,635	8,990
John Deere Financial Inc. 5.17% 09-15-2028	United States	Corporate - Non Convertible	6,917,000	6,968	7,350
JPMorgan Chase & Co. 1.90% 03-05-2028	United States	Corporate - Non Convertible	2,560,000	2,560	2,503
Kaisa Group Holdings Ltd. 8.65% 04-30-2025	China	Corporate - Non Convertible	USD 1,500,000	665	101
Kaisa Group Holdings Ltd. 9.38% 04-30-2025	China	Corporate - Non Convertible	USD 300,000	233	21
Kaisa Group Holdings Ltd. 10.50% 04-30-2025	China	Corporate - Non Convertible	USD 2,300,000	1,475	152
Kaisa Group Holdings Ltd. 11.70% 11-11-2025	China	Corporate - Non Convertible	USD 400,000	481	27
Knight Health Holdings LLC Term Loan B 1st Lien F/R 12-17-2028	United States	Term Loans	USD 773,939	924	590
Laurentian Bank of Canada 4.19% 01-23-2028	Canada	Corporate - Non Convertible	1,680,000	1,680	1,699
LGI Homes Inc. 8.75% 12-15-2028 144A	United States	Corporate - Non Convertible	USD 110,000	151	165
Loblaw Companies Ltd. 3.56% 12-12-2029	Canada	Corporate - Non Convertible	13,169,000	13,169	13,241
Logan Group Co. Ltd. 4.70% 07-06-2026	China	Corporate - Non Convertible	USD 4,472,000	3,585	501
Manulife Financial Corp. F/R 03-10-2033	Canada	Corporate - Non Convertible	19,861,000	19,808	20,883
Manulife Financial Corp. F/R 12-06-2034	Canada	Corporate - Non Convertible	6,430,000	6,438	6,499
Manulife Financial Corp. F/R 06-19-2082	Canada	Corporate - Non Convertible	10,696,000	10,681	11,130

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

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SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2025

Investment Name	Country	Sector	Par Value/ Number of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
BONDS (cont'd)					
National Bank of Canada F/R 08-18-2026 Callable 2025	Canada	Corporate - Non Convertible	2,760,000	2,771	2,746
National Bank of Canada 5.02% 02-01-2029	Canada	Corporate - Non Convertible	5,110,000	5,169	5,402
National Bank of Canada 5.28% 02-15-2034	Canada	Corporate - Non Convertible	1,770,000	1,770	1,858
National Bank of Canada F/R 02-15-2035	Canada	Corporate - Non Convertible	1,670,000	1,670	1,685
North West Redwater Partnership 2.80% 06-01-2027	Canada	Corporate - Non Convertible	2,422,000	2,401	2,404
OPB Finance Trust 2.98% 01-25-2027	Canada	Provincial Governments	808,000	855	811
Pembina Pipeline Corp. 3.31% 02-01-2030 Callable 2029	Canada	Corporate - Non Convertible	4,260,000	4,166	4,189
Pembina Pipeline Corp. F/R 01-25-2081	Canada	Corporate - Non Convertible	4,170,000	4,170	4,029
Prologis Inc. 4.70% 03-01-2029	United States	Corporate - Non Convertible	3,190,000	3,184	3,318
Province of Alberta 2.05% 06-01-2030	Canada	Provincial Governments	104,000,000	97,482	99,678
Province of Ontario 2.60% 06-02-2025	Canada	Provincial Governments	66,000,000	65,710	65,992
Province of Ontario 1.75% 09-08-2025	Canada	Provincial Governments	70,000,000	69,733	69,736
Province of Ontario 4.00% 03-08-2029	Canada	Provincial Governments	91,767,000	93,449	96,055
Province of Quebec 2.75% 09-01-2028	Canada	Provincial Governments	53,239,000	50,053	53,357
Province of Quebec 2.30% 09-01-2029	Canada	Provincial Governments	127,019,000	122,400	124,457
Reliance LP 2.68% 12-01-2027	Canada	Corporate - Non Convertible	730,000	730	716
Reliance LP 4.39% 04-16-2032	Canada	Corporate - Non Convertible	340,000	339	340
RioCan Real Estate Investment Trust 5.61% 10-06-2027	Canada	Corporate - Non Convertible	3,064,000	3,009	3,208
Rogers Communications Inc. 3.65% 03-31-2027	Canada	Corporate - Non Convertible	6,954,000	7,532	7,002
Rogers Communications Inc. F/R 12-17-2081	Canada	Corporate - Non Convertible	10,708,000	10,091	10,753
Royal Bank of Canada 1.94% 05-01-2025	Canada	Corporate - Non Convertible	10,000,000	9,766	9,994
Royal Bank of Canada 4.64% 01-17-2028	Canada	Corporate - Non Convertible	6,270,000	6,270	6,509
Royal Bank of Canada 5.23% 06-24-2030	Canada	Corporate - Non Convertible	7,962,000	8,423	8,590
Royal Bank of Canada F/R 10-17-2030	Canada	Corporate - Non Convertible	8,720,000	8,720	8,890
Royal Bank of Canada F/R 02-01-2033	Canada	Corporate - Non Convertible	28,967,000	28,390	30,038
Royal Bank of Canada F/R 02-04-2035	Canada	Corporate - Non Convertible	4,620,000	4,620	4,675
Royal Bank of Canada F/R 11-24-2080 Callable 2025	Canada	Corporate - Non Convertible	1,756,000	1,662	1,755
Russel Metals Inc. 4.42% 03-28-2030	Canada	Corporate - Non Convertible	1,980,000	1,980	1,984
Sienna Senior Living Inc. 3.45% 02-27-2026 Callable 2026	Canada	Corporate - Non Convertible	2,840,000	2,840	2,844
Sienna Senior Living Inc. 4.44% 10-17-2029	Canada	Corporate - Non Convertible	640,000	640	650
Sino-Ocean Group Holding Ltd. 5.95% 02-04-2027	China	Corporate - Non Convertible	USD 300,000	93	37
Sino-Ocean Group Holding Ltd. 4.75% 08-05-2029	China	Corporate - Non Convertible	USD 2,300,000	1,119	286
Sino-Ocean Group Holding Ltd. 4.75% 01-14-2030	China	Corporate - Non Convertible	USD 900,000	289	110
South Bow Canadian Infrastructure Holdings Ltd. 4.32% 02-01-2030	Canada	Corporate - Non Convertible	15,970,000	16,129	16,312
Sun Life Financial Inc. F/R 05-10-2032 Callable 2027	Canada	Corporate - Non Convertible	13,920,000	12,742	13,729
Sun Life Financial Inc. F/R 11-21-2033	Canada	Corporate - Non Convertible	16,660,000	15,388	16,261
Sunac China Holdings Ltd. 1.00% 09-30-2032	China	Corporate - Non Convertible	USD 916	-	-
Suncor Energy Inc. 5.40% 11-17-2026	Canada	Corporate - Non Convertible	4,210,000	4,204	4,353
Superior Plus LP 4.50% 03-15-2029 144A	Canada	Corporate - Non Convertible	USD 590,000	751	783
Tencent Holdings Ltd. 1.81% 01-26-2026 Callable 2025	China	Corporate - Non Convertible	USD 4,750,000	6,537	6,687
Tencent Music Entertainment Group 1.38% 09-03-2025 Callable 2025	China	Corporate - Non Convertible	USD 500,000	657	709
The Toronto-Dominion Bank 2.67% 09-09-2025	Canada	Corporate - Non Convertible	29,273,000	29,207	29,232
The Toronto-Dominion Bank 2.26% 01-07-2027	Canada	Corporate - Non Convertible	3,617,000	3,617	3,565
The Toronto-Dominion Bank 4.48% 01-18-2028	Canada	Corporate - Non Convertible	15,638,000	15,622	16,158
The Toronto-Dominion Bank F/R 01-26-2032 Callable 2027	Canada	Corporate - Non Convertible	4,984,000	4,858	4,949
The Toronto-Dominion Bank F/R 02-01-2035	Canada	Corporate - Non Convertible	4,050,000	4,050	4,084
Toyota Credit Canada Inc. 4.42% 06-28-2027	Canada	Corporate - Non Convertible	17,000,000	16,972	17,472
Toyota Credit Canada Inc. 3.55% 10-04-2027	Canada	Corporate - Non Convertible	11,406,000	11,386	11,513
Toyota Credit Canada Inc. 3.73% 10-02-2029	Canada	Corporate - Non Convertible	2,450,000	2,450	2,474
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	14,470,000	14,686	14,483
Trulieve Cannabis Corp. 8.00% 10-06-2026	United States	Corporate - Non Convertible	USD 541,000	668	765
Ventas Canada Finance Ltd. 3.30% 12-01-2031	United States	Corporate - Non Convertible	2,474,000	2,231	2,350
The Walt Disney Co. 3.06% 03-30-2027	United States	Corporate - Non Convertible	1,804,000	1,910	1,805
Waste Management of Canada Corp. 2.60% 09-23-2026 Callable 2026	Canada	Corporate - Non Convertible	19,222,000	17,912	19,096
Wells Fargo & Co. 2.57% 05-01-2026 Callable 2025	United States	Corporate - Non Convertible	15,590,000	15,721	15,583
Whitecap Resources Inc. 4.38% 11-01-2029	Canada	Corporate - Non Convertible	6,810,000	6,893	6,947
WSP Global Inc. 4.12% 09-12-2029	Canada	Corporate - Non Convertible	2,210,000	2,212	2,255
Total bonds				1,724,752	1,754,152

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

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SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2025

Investment Name	Country	Sector	Par Value/ Number of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
EQUITIES					
Brookfield Asset Management Inc. Pfd. Series 46	Canada	Financials	39,839	1,013	964
Brookfield Renewable Partners LP Pfd. Series 13	Canada	Utilities	31,384	776	753
Emera Inc. Pfd. Series J	Canada	Utilities	4,072	102	97
Emera Inc. Pfd. Series L	Canada	Utilities	750	19	15
Frontera Generation Holdings LLC	United States	Energy	9,686	23	5
Fusion Connect Inc.	United States	Communication Services	5	–	–
iQor US Inc.	United States	Information Technology	5,950	100	17
TransAlta Corp. Perp. Pfd. Series C	Canada	Utilities	12,450	232	265
TransAlta Corp. Pfd. Series A	Canada	Utilities	34,472	426	541
Total equities				2,691	2,657
OPTIONS					
Options purchased (see schedule of options purchased)				89	64
Total options				89	64
MUTUAL FUNDS					
¹ Mackenzie High Quality Floating Rate Fund Series IG	Canada	Mutual Funds	3,521,365	35,216	35,103
Total mutual funds				35,216	35,103
Transaction costs				(19)	–
Total investments				3,103,191	3,099,435
Derivative instruments (see schedule of derivative instruments)					(33)
Cash and cash equivalents					65,252
Other assets less liabilities					262
Net assets attributable to securityholders					3,164,916

¹ This fund is managed by the Manager or affiliates of the Manager of the Fund.

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

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SUMMARY OF INVESTMENT PORTFOLIO

MARCH 31, 2025

PORTFOLIO ALLOCATION	% OF NAV
Bonds	59.5
<i>Bonds</i>	55.4
<i>Long bond futures</i>	4.1
Mortgages	41.3
Mutual funds	1.1
Other assets (liabilities)	0.2
Equities	0.1
Purchased currency options	–
Cash and cash equivalents	(2.2)

REGIONAL ALLOCATION	% OF NAV
Canada	95.6
United States	5.7
Germany	0.3
China	0.3
Other assets (liabilities)	0.2
United Kingdom	0.1
Cash and cash equivalents	(2.2)

SECTOR ALLOCATION	% OF NAV
Financials	41.3
Corporate bonds	34.7
Provincial bonds	16.1
Federal bonds	8.4
Mutual Funds	1.1
Other assets (liabilities)	0.2
Supranational bonds	0.2
Utilities	0.1
Term loans	0.1
Cash and cash equivalents	(2.2)

MORTGAGES BY YEAR OF MATURITY	% OF NAV
2025	7.8
2026	16.8
2027	7.8
2028	3.3
2029	2.5
2030	3.1

BY INTEREST RATE	% OF NAV
less than 2.5%	18.2
2.5 - 3.0%	4.8
3.0 - 3.5%	1.7
greater than 3.5%	16.6

MARCH 31, 2024

PORTFOLIO ALLOCATION	% OF NAV
Bonds	53.6
<i>Bonds</i>	50.8
<i>Long bond futures</i>	2.8
Mortgages	46.7
Other assets (liabilities)	0.4
Exchange-traded funds	0.3
Equities	0.1
Purchased options	–
Cash and cash equivalents	(1.1)

REGIONAL ALLOCATION	% OF NAV
Canada	92.1
United States	6.3
China	0.5
Japan	0.4
Other assets (liabilities)	0.4
Ireland	0.3
Peru	0.2
Brazil	0.2
United Kingdom	0.1
Australia	0.1
Mexico	0.1
Luxembourg	0.1
Germany	0.1
Chile	0.1
Bahamas	0.1
Cash and cash equivalents	(1.1)

SECTOR ALLOCATION	% OF NAV
Financials	46.7
Corporate bonds	36.0
Provincial bonds	9.7
Federal bonds	6.4
Foreign government bonds	0.7
Mortgage backed	0.4
Other assets (liabilities)	0.4
Exchange-traded funds	0.3
Term loans	0.2
Supranational	0.2
Utilities	0.1
Cash and cash equivalents	(1.1)

MORTGAGES BY YEAR OF MATURITY	% OF NAV
2024	6.8
2025	11.4
2026	17.5
2027	7.4
2028	3.0
2029	0.6

BY INTEREST RATE	% OF NAV
less than 2.5%	19.5
2.5 – 3.0%	12.4
3.0 – 3.5%	3.3
greater than 3.5%	11.5

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

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SCHEDULE OF OPTIONS PURCHASED

as at March 31, 2025

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Paid (\$ 000)	Fair Value (\$ 000)
Currency Put Option USD/CAD	645,000	Put	Jul. 11, 2025	CAD 1.36	42	32
Currency Put Option USD/MXN	558,000	Put	Aug. 7, 2025	MXN 19.00	47	32
Total options					89	64

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

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SCHEDULE 1 – DISTRIBUTION OF MORTGAGES BY INTEREST RATE

as at March 31, 2025

Rate	Number of loans	Principal value outstanding (\$ 000)	Amortized cost (\$ 000)	Fair Value (\$ 000)
1.251 to 1.500	5	1,318	1,312	1,256
1.501 to 1.750	231	45,502	45,349	43,400
1.751 to 2.000	1,699	237,533	237,429	228,312
2.001 to 2.250	708	145,714	145,532	139,110
2.251 to 2.500	969	169,484	169,398	162,542
2.501 to 2.750	365	76,237	76,052	72,940
2.751 to 3.000	385	83,779	83,440	79,937
3.001 to 3.250	160	43,743	43,284	41,700
3.251 to 3.500	55	12,456	12,320	11,925
3.501 to 3.750	34	8,725	8,620	8,431
3.751 to 4.000	175	44,628	44,466	44,103
4.001 to 4.250	338	89,149	89,123	88,649
4.251 to 4.500	370	99,217	99,776	99,271
4.501 to 4.750	383	101,867	102,583	102,539
4.751 to 5.000	193	49,145	49,269	49,423
5.001 to 5.250	147	34,321	34,305	34,477
5.251 to 5.500	124	31,413	31,499	31,794
5.501 to 5.750	121	27,361	27,520	28,013
5.751 to 6.000	94	21,090	21,265	21,641
6.001 to 6.250	38	6,835	6,940	7,044
6.251 to 6.500	30	4,935	4,975	4,972
6.501 to 6.750	17	3,538	3,581	3,564
6.751 to 7.000	13	2,179	2,191	2,184
7.001 to 7.250	3	178	184	184
9.501 to 9.750	1	48	49	48
	6,658	1,340,395	1,340,462	1,307,459

The rates used for determining fair value of NHA and conventional loans as at March 31, 2025 were as follows:

Term	Residential rate	Commercial rate
6 month (open)	9.85%	N/A
6 month (closed)	7.65%	N/A
0 – 12 months (open)	9.75%	N/A
0 – 12 months (closed)	6.65%	3.49%
13 – 24 months	6.05%	3.67%
25 – 36 months	4.50%	3.84%
37 – 48 months	4.50%	4.57%
49 – 60 months	4.25%	5.29%
61 – 84 months	5.89%	N/A
85 – 120 months	6.25%	N/A

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2025

SCHEDULE 2 – DISTRIBUTION OF MORTGAGES BY GEOGRAPHIC LOCATION

as at March 31, 2025

	Number of loans	Principal value outstanding (\$ 000)	Fair value (\$ 000)	Percentage total fair value (%)
British Columbia	540	136,091	133,013	10.2
Alberta	645	135,368	131,482	10.1
Saskatchewan	339	61,566	59,864	4.6
Manitoba	436	73,279	71,130	5.4
Ontario	2,190	521,686	508,563	38.9
Quebec	2,014	337,462	330,175	25.2
New Brunswick	154	19,978	19,514	1.5
Nova Scotia	177	27,093	26,515	2.0
Newfoundland and Labrador	101	16,437	16,039	1.2
Prince Edward Island	50	7,659	7,505	0.6
Yukon / Territories	12	3,776	3,659	0.3
	6,658	1,340,395	1,307,459	100.0

SCHEDULE 3 – DISTRIBUTION OF MORTGAGES BY TYPE OF CONSTRUCTION

as at March 31, 2025

	Number of loans	Principal value outstanding (\$ 000)	Amortized cost (\$ 000)	Fair Value (\$ 000)	Percentage total fair value (%)
Single Family Dwelling	5,829	1,183,686	1,183,667	1,154,136	88.3
Condominiums	825	156,062	156,148	152,711	11.7
Multi-unit Dwelling up to 8 units	4	647	647	612	–
	6,658	1,340,395	1,340,462	1,307,459	100.0

SCHEDULE 4 – DISTRIBUTION OF MORTGAGES BY YEAR OF MATURITY

as at March 31, 2025

	Number of loans	Principal value outstanding (\$ 000)	Fair Value (\$ 000)	Percentage total fair value (%)
2025	1,673	251,242	245,643	18.8
2026	2,915	554,139	531,949	40.7
2027	1,009	253,945	245,298	18.7
2028	400	102,605	104,500	8.0
2029	281	79,661	80,631	6.2
2030	380	98,803	99,438	7.6
	6,658	1,340,395	1,307,459	100.0

SCHEDULE 5 – DISTRIBUTION OF MORTGAGES BY TYPE OF INSURANCE

as at March 31, 2025

	Number of loans	Principal value outstanding (\$ 000)	Fair Value (\$ 000)	Percentage total fair value (%)
Insured by National Housing Act (Canada)	921	83,997	81,360	6.2
Insured by a Private Insurer	614	90,401	87,812	6.7
Uninsured – Conventional	5,123	1,165,997	1,138,287	87.1
	6,658	1,340,395	1,307,459	100.0

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SCHEDULE OF DERIVATIVE INSTRUMENTS

as at March 31, 2025

Schedule of Futures Contracts

Type of Contract	Number of Contracts	Expiration Date	Average Rate of Contracts (\$)	Notional Value* (\$ 000)	Unrealized Gains (\$ 000)	Unrealized Losses (\$ 000)
MSE Canadian 2 Year Bond Future	402	Jun. 19, 2025	105.46 CAD	42,562	167	–
MSE Canadian 5 Year Bond Future	757	Jun. 19, 2025	115.91 CAD	87,751	61	–
Total futures contracts				130,313	228	–

* Notional value represents the exposure to the underlying instruments as at March 31, 2025

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	778 CAD	(524) EUR	Apr. 11, 2025	(778)	(815)	–	(37)
A	524 EUR	(818) CAD	Apr. 11, 2025	818	815	–	(3)
A	2,074 CAD	(1,453) USD	Apr. 11, 2025	(2,074)	(2,089)	–	(15)
A	4,407 CAD	(3,062) USD	Apr. 11, 2025	(4,407)	(4,403)	4	–
A	1,048 USD	(1,488) CAD	Apr. 11, 2025	1,488	1,507	19	–
A	477 CAD	(331) USD	Apr. 11, 2025	(477)	(476)	1	–
A	1,060 USD	(1,515) CAD	Apr. 11, 2025	1,515	1,524	9	–
A	844 CAD	(594) USD	Apr. 25, 2025	(844)	(854)	–	(10)
A	11,427 CAD	(7,965) USD	May 9, 2025	(11,427)	(11,442)	–	(15)
A	1,291 CAD	(867) EUR	May 16, 2025	(1,291)	(1,349)	–	(58)
A	6 CAD	(4) EUR	May 16, 2025	(6)	(6)	–	–
A	43 CAD	(29) EUR	May 16, 2025	(43)	(45)	–	(2)
A	896 EUR	(1,399) CAD	May 16, 2025	1,399	1,394	–	(5)
A	4 EUR	(6) CAD	May 16, 2025	6	6	–	–
A	3,083 CAD	(2,160) USD	May 16, 2025	(3,083)	(3,102)	–	(19)
A	9,613 CAD	(6,800) USD	Jun. 13, 2025	(9,613)	(9,751)	–	(138)
A	4,298 CAD	(3,000) USD	Jun. 27, 2025	(4,298)	(4,299)	–	(1)
A	1,295 USD	(1,847) CAD	Jun. 27, 2025	1,847	1,856	9	–
Total forward currency contracts						42	(303)

Total Derivative assets

270

Total Derivative liabilities

(303)

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

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NOTES TO FINANCIAL STATEMENTS

1. Organization of the Fund, Fiscal Periods and General Information

The Fund is organized as an open-ended mutual fund trust established under the laws of the Province of Manitoba and governed by a Declaration of Trust as amended and restated from time to time. The address of the Fund's registered office is 447 Portage Avenue, Winnipeg, Manitoba, Canada. The Fund is authorized to issue an unlimited number of units (referred to as "security" or "securities") of multiple series. If issued, Series P and S securities are only available for purchase by other IG Wealth Management Funds or other qualified investors. All series generally share in the operations of the Fund on a pro rata basis except for items that can be specifically attributed to one or more series. Distributions for each series may vary, partly due to the differences in expenses between the series.

The information provided in these financial statements and notes thereto is for the periods ended or as at March 31, 2025 and 2024. In the year a Fund or series is established or reinstated, 'period' represents the period from inception or reinstatement. Where a series of the Fund was terminated during either period, the information for the series is provided up to close of business on the termination date. Refer to Note 10 (a) for the formation date of the Fund and the inception date of each series.

I.G. Investment Management, Ltd. is the Manager and Trustee of the Fund. The Fund is distributed by Investors Group Financial Services Inc. and Investors Group Securities Inc. (collectively, the "Distributors"). Mackenzie Financial Corporation ("Mackenzie") has been engaged as sub-advisor to provide investment services to the Fund. These companies are, indirectly, wholly owned subsidiaries of IGM Financial Inc.

IGM Financial Inc. is a subsidiary of Power Corporation of Canada. Companies related to Power Corporation of Canada are therefore considered affiliates of the Trustee, the Manager and the Distributors. The Fund may invest in certain securities within the Power Group of Companies, subject to certain governance criteria, and these holdings, as at the end of the period, have been identified on the Schedule of Investments for the Fund. Any transactions during the periods, other than transactions with unlisted open-ended mutual funds, were executed through market intermediaries and under prevailing market terms and conditions.

2. Basis of Preparation and Presentation

These audited annual financial statements ("financial statements") have been prepared in accordance with IFRS Accounting Standards ("IFRS"). A summary of the Fund's material accounting policies under IFRS is presented in Note 3.

These financial statements are presented in Canadian dollars, which is the Fund'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 the Manager on June 5, 2025.

3. Material Accounting Policies

(a) Financial instruments

Financial instruments include financial assets and liabilities such as debt and equity securities, investment funds and derivatives. The Fund 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 assets and liabilities are recognized in the Statement of Financial Position when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation is discharged, cancelled and 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, other than mortgages, is determined on a weighted average cost basis. The cost of mortgages is amortized cost.

Amortized cost is the principal cost of mortgages purchased net of amortized premium or discount. 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 Fund accounts for its holdings in unlisted open-ended investment funds, private funds ("Underlying Funds") and Exchange-Traded Funds ("ETFs"), if any, at FVTPL. For private funds, the Manager will rely on the valuations provided by the managers of the private funds, which represents the Fund's proportionate share of the net assets of these private funds. The Fund's investment in Underlying Funds and ETFs, if any, is presented in the Schedule of Investments at fair value which represents the Fund's maximum exposure on these investments.

The Fund's redeemable securities contain multiple dissimilar contractual obligations and entitle securityholders to the right to redeem their interest in the Fund for cash equal to their proportionate share of the net asset value of the Fund and therefore meet the criteria for classification as financial liabilities under IAS 32, *Financial Instruments: Presentation*. The Fund's obligation for net assets attributable to securityholders is presented at the redemption amount.

IAS 7, *Statement of Cash Flows*, requires disclosures related to changes in liabilities and assets, such as the securities of the Fund, arising from financing activities. Changes in securities of the Fund, including both changes from cash flows and non-cash changes, are included in the Statement of Changes in Financial Position. Any changes in the securities not settled in cash as at the end of the period are presented as either Accounts receivable for securities issued or Accounts payable for securities redeemed in the Statement of Financial Position. These accounts receivable and accounts payable amounts typically settle shortly after period-end.

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

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NOTES TO FINANCIAL STATEMENTS

3. Material Accounting Policies (cont'd)

(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.

All mortgages are recorded at FVTPL, which is the principal amount required to produce a yield to maturity equal to or not less than one-quarter of one percent below the interest rate at which major lending institutions are making commitments on the date of valuation. All mortgages are subject to pre-payment with appropriate penalties being remitted. The Manager retains credit risk on all mortgages sold to the Fund and therefore mortgage valuations do not include expected credit losses.

Investments listed on a public securities exchange or traded on an over-the-counter market, including ETFs, are valued on the basis of the last traded market price or closing 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.

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 Fund in the management of short-term commitments. Cash and cash equivalents and short-term investments 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. Short-term investments that are not considered cash equivalents are separately disclosed in the Schedule of Investments.

The Fund 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 Fund 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 Fund's portfolio manager(s), provided that the use of the derivative is consistent with the Fund's investment objectives. Any use of derivatives will comply with Canadian mutual fund laws, subject to the regulatory exemptions granted to the Fund, 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 daily fluctuation of futures contracts or swaps, along with daily cash settlements made by the Fund, where applicable, 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 Fund 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, 2025.

The Fund 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 10 for the fair value classifications of the Fund.

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NOTES TO FINANCIAL STATEMENTS

3. Material Accounting Policies (cont'd)

(c) Income recognition

Interest income for distribution purposes represents the coupon interest received by the Fund which is accounted for on an accrual basis. The Fund 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 a weighted average cost basis. Distributions received from an underlying fund are included in Interest income for distribution purposes, Dividends income, Net realized gains (losses) or Fee rebate income, as appropriate, on the ex-dividend or distribution date.

Income, realized gains (losses) and unrealized gains (losses) are allocated daily among the series on a pro-rata basis.

(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 Fund in connection with portfolio transactions for the periods, together with other transaction charges, is disclosed in the Statement of Comprehensive Income. Brokerage business is allocated to brokers based on the best net result for the Fund. 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 10. The value of certain proprietary services provided by brokers cannot be reasonably estimated.

(e) Securities lending and repurchase transactions

The Fund is permitted to enter into securities lending, repurchase and reverse repurchase transactions as set out in the Fund's Simplified 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 is 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 10 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 Fund 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 10 summarizes the details of such offsetting, if applicable, subject to master netting arrangements or other similar agreements and the net impact to the Statement 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 Fund.

(g) Currency

The functional and presentation currency of the Fund 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 – 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 securityholders per security

Net assets attributable to securityholders per security is computed by dividing the net assets attributable to securityholders of a series of securities on a business day by the total number of securities of the series outstanding on that day.

(i) Net asset value per security

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 securityholders (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 10, if applicable.

(j) Increase (decrease) in net assets attributable to securityholders from operations per security

Increase (decrease) in net assets attributable to securityholders from operations per security in the Statement of Comprehensive Income represents the increase (decrease) in net assets attributable to securityholders from operations for the period, divided by the weighted average number of securities outstanding during the period.

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NOTES TO FINANCIAL STATEMENTS

3. Material Accounting Policies (cont'd)

(k) Mergers

In a fund merger, the Fund acquires all of the assets and assumes all of the liabilities of the terminating fund at fair value in exchange for securities of the Fund on the effective date of the merger.

(l) Future accounting changes

In April 2024, the International Accounting Standards Board ("IASB") issued IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18"). IFRS 18, which replaces IAS 1, *Presentation of financial statements*, introduces new requirements to present specified categories and defined subtotals in the statement of comprehensive income, new disclosure for management-defined performance measures, and additional requirements for aggregation and disaggregation of information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Manager is assessing the impact of the adoption of this standard.

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 Fund 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 Fund.

Use of Judgements

Classification and measurement of investments

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9. The Manager has assessed the Fund'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 Fund's financial instruments.

Functional currency

The Fund's functional and presentation currency is the Canadian dollar, which is the currency considered to best represent the economic effects of the Fund's underlying transactions, events and conditions taking into consideration the manner in which securities are issued and redeemed and how returns and performance by the Fund are measured.

Interest in unconsolidated structured entities

In determining whether an Underlying Fund or an ETF in which the Fund invests, but that it does not consolidate, meets the definition of a structured entity, the Manager 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 objectives 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 Fund's interest in these Underlying Funds, if applicable.

5. Income Taxes

The Fund 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 securityholders as at the end of the taxation year. The Fund maintains a December year-end for tax purposes. The Fund may be subject to withholding taxes on foreign income. In general, the Fund treats withholding tax as a charge against income for tax purposes. The Fund will distribute sufficient amounts from net income for tax purposes, as required, so that the Fund will not pay income taxes other than refundable tax on capital gains, if applicable.

Losses of the Fund cannot be allocated to investors and are retained in the Fund 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 10 for the Fund's loss carryforwards.

6. Management Fees and Other Expenses

- (a) Each series of the Fund will incur expenses that can be specifically attributed to that series. Common expenses of the Fund are allocated across the series of the Fund on a pro rata basis.
- (b) The Manager provides or arranges for the provision of investment and advisory services for a management fee. See Note 10 for the annual rates paid (as a percent of average assets) by the Fund.

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

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NOTES TO FINANCIAL STATEMENTS

6. Management Fees and Other Expenses (cont'd)

- (c) The Fund pays the Manager an administration fee and in return the Manager will bear the operating expenses of the Fund, other than certain specified costs. See Note 10 for the annual rates paid (as a percent of average assets) by the Fund.
- Other Fund costs include taxes (including but not limited to GST/HST and income tax), transaction costs related to the purchase and sale of investments and derivatives, interest and borrowing costs, and Independent Review Committee ("IRC") costs.
- (d) The Fund may pay the Distributors a service fee to compensate them for providing or arranging for the provision of services to the Fund. A portion of the service fee related to Series C and Tc is rebated by the Distributors to the Fund on a quarterly basis as outlined in the Fund's Prospectus.
- The rebate is distributed as a capital distribution to eligible securityholders and is reinvested in additional Series C or Tc securities of the Fund or another distributing fund held by the securityholder. See Note 10 for the annual rates paid (as a percent of average assets) by the Fund.
- (e) The Trustee is responsible for overall direction and management of the affairs of the Fund. See Note 10 for the annual rates paid (as a percent of average assets) to the Trustee by the Fund.
- (f) The Fund pays the Manager a mortgage administration and servicing fee of up to 0.15% annually, applicable to the value of mortgages held by the Fund that are originated and serviced by the Manager.
- (g) An advisory fee is charged by the Distributors for investment advice and administrative services related to Series U and Tu, if issued. The advisory fee is payable monthly directly by investors in Series U and Tu, and not by the Fund.
- (h) GST/HST paid by the Fund on its expenses is not recoverable. In these financial statements, reference to GST/HST includes QST (Quebec sales tax), as applicable.
- (i) Other expenses are comprised of interest and borrowing charges and other miscellaneous expenses.
- (j) The Manager may, at its discretion, pay certain expenses of the Fund so that the Fund's performance remains competitive; however, there is no assurance that this will occur in the future. Any expenses absorbed by the Manager during the periods have been reported in the Statements of Comprehensive Income.
- (k) Investment, if any, in Underlying Funds will be in series that do not pay fees. The ETFs into which the Fund may invest may have their own fees and expenses which reduce the value of the ETF. Generally, the Manager has determined that fees paid by an ETF are not duplicative with the fees paid by the Fund. However, where the ETF is managed by Mackenzie, the ETF may distribute a fee rebate to the Fund to offset fees paid within the ETF. There is no assurance that these distributions will continue in the future.
- (l) Agreements between the individual members of the Fund's IRC and the Trustee, on behalf of the Fund, provides for the indemnification of each IRC member by the Fund from and against liabilities and costs in respect of any action or suit against the member by reason of being or having been a member of the IRC, provided that the member acted honestly and in good faith with a view to the best interest of the Fund, or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, that they had reasonable grounds for believing that his/her conduct was lawful. No claims with respect to such occurrences have been made and, as such, no amount has been recorded in these financial statements with respect to these indemnifications.

7. Fund's Capital

The capital of the Fund, which is comprised of the net assets attributable to securityholders, is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at March 31, 2025 and 2024 and securities issued, reinvested and redeemed for the periods are presented in the Statement of Changes in Financial Position. The Manager manages the capital of the Fund in accordance with the investment objectives as discussed in Note 10.

8. Financial Instruments Risk

(a) Risk management

The Fund's investment activities expose it to a variety of financial risks, as defined in IFRS 7, *Financial Instruments: Disclosures* ("IFRS 7"). The Fund's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, as at March 31, 2025, grouped by asset type, with geographic and sector information.

The Manager seeks to minimize potential adverse effects of financial instrument risks on the Fund's performance by employing professional, experienced portfolio advisors, daily monitoring of the Fund's positions and market events, and diversifying the investment portfolio within the constraints of the investment objective. To assist in managing risk, the Manager also uses internal guidelines that identify the target exposures for each type of risk, maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy, internal guidelines and securities regulations.

(b) Liquidity risk

Liquidity risk arises when the Fund encounters difficulty in meeting its financial obligations as they become due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable securities. In order to monitor the liquidity of its assets, the Fund utilizes a liquidity risk management program that calculates the number of days to convert the investments held by the Fund into cash using a multi-day liquidation approach. This liquidity risk analysis assesses the Fund's liquidity against predetermined minimum liquidity percentages, established for different time periods, and is monitored quarterly. In addition, the Fund has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions. In order to comply with securities regulations, the Fund must maintain at least 85% of its assets in liquid investments (i.e., investments that can be readily sold).

(c) 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 Fund'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.

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NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

(c) Currency risk (cont'd)

Note 10 indicates the foreign currencies, if applicable, to which the Fund had significant exposure, including both monetary and non-monetary financial instruments, and illustrates the potential impact, in Canadian dollar terms, to the Fund'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 Fund's sensitivity to currency risk illustrated in Note 10 includes potential indirect impacts from Underlying Funds and ETFs in which the Fund 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 Fund to significant currency risk.

(d) Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The Fund 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 10 summarizes the Fund's interest-bearing financial instruments by remaining term to maturity and illustrates the potential impact to the Fund'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 Fund's sensitivity to interest rate changes was estimated using weighted average duration, and a valuation model that estimates the impact to the fair value of mortgages based on changes in prevailing interest rates in a manner consistent with the valuation policy for mortgages. In practice, the actual trading results may differ and the difference could be material.

The Fund's sensitivity to interest rate risk illustrated in Note 10 includes potential indirect impacts from Underlying Funds and ETFs in which the Fund 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.

(e) 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 Fund.

Note 10 summarizes the Fund'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 Funds and 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 Fund 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.

Legislation requires that any mortgage loan with a loan to value ratio greater than 80% at time of funding must be insured by an approved mortgage default insurance provider. The Manager may also, on a case by case basis, utilize mortgage default insurance to mitigate any unique or unusual risk associated with the nature or the location of property pledged as security. In either case, the mortgage default insurance provides coverage on any losses incurred in the event of credit default resulting from the enforcement and disposition of the property. Schedule 6 to the Schedule of Investments provides information on the type of mortgage insurance in place and the value. As of March 31, 2025 and 2024 there were no mortgages in arrears by 90 days or more. Due to the quality of mortgages held and the retention of credit risk by the Manager on all mortgages sold to the Fund, defaults and other credit losses are not considered a significant risk to the Fund.

(f) 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 other factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. The Manager manages this risk through a careful selection of securities 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 futures contracts sold short, the maximum loss to the Fund increases, theoretically without limit, as the fair value of the underlying security 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 Fund. This risk is mitigated by ensuring that the Fund 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 10 illustrates the potential increase or decrease in the Fund'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 Fund's sensitivity to other price risk illustrated in Note 10 includes potential indirect impacts from Underlying Funds and ETFs in which the Fund invests, and/or derivative contracts.

In addition, if the Fund invests in IG Mackenzie Real Property Fund, the Fund is exposed to the risk that the value of IG Mackenzie Real Property Fund could change as a result of changes in the valuation of real properties. Valuations of real properties are sensitive to changes in capitalization rates. Note 10 also indicates the Fund's sensitivity, if any, to a 25 basis point change in the weighted average capitalization rates.

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

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NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

(g) Underlying funds

The Fund may invest in underlying funds 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 funds. Note 10 summarizes the Fund's exposure, if applicable and significant, to these risks from underlying funds.

9. Other Information

(a) 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
AED	United Arab Emirates Dirham	HUF	Hungarian forint	PHP	Philippine peso
AUD	Australian dollars	IDR	Indonesian rupiah	PKR	Pakistani rupee
BRL	Brazilian real	ILS	Israeli sheqel	PLN	Polish zloty
CAD	Canadian dollars	INR	Indian rupee	RON	Romanian leu
CHF	Swiss franc	JPY	Japanese yen	RUB	Russian ruble
CZK	Czech koruna	KOR	South Korean won	SAR	Saudi riyal
CLP	Chilean peso	MXN	Mexican peso	SEK	Swedish krona
CNY	Chinese yuan	MYR	Malaysian ringgit	SGD	Singapore dollars
COP	Colombian peso	NGN	Nigerian naira	THB	Thailand baht
DKK	Danish krone	NOK	Norwegian krona	TRL	Turkish lira
EUR	Euro	NTD	New Taiwan dollar	USD	United States dollars
GBP	United Kingdom pounds	NZD	New Zealand dollars	ZAR	South African rand
HKD	Hong Kong dollars	PEN	Peruvian nuevo sol	ZMW	Zambian kwacha

(b) Additional information available

A copy of the Fund's current Simplified Prospectus, Annual Information Form and/or Management Report of Fund Performance, will be provided, without charge, by writing to: Investors Group Financial Services Inc., 447 Portage Avenue, Winnipeg, Manitoba, R3B 3H5 or, in Quebec, 2001, Robert-Bourassa Boulevard, Bureau 2000, Montreal, Quebec, H3A 2A6, or by calling toll-free 1-888-746-6344 (in Quebec 1-800-661-4578), or by visiting the IG Wealth Management website at www.ig.ca or SEDAR+ at www.sedarplus.ca. Copies of financial statements for all IG Wealth Management Funds are also available upon request or by visiting the IG Wealth Management website at www.ig.ca or SEDAR+ at www.sedarplus.ca.

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

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NOTES TO FINANCIAL STATEMENTS

10. Fund Specific Information (in '000, except for (a))

(a) Fund Formation and Series Information

Date of Formation: August 3, 1973

The Fund may issue an unlimited number of securities of each series. The number of issued and outstanding securities of each series is disclosed in the Statements of Changes in Financial Position.

Series B securities are offered to retail investors investing a minimum of \$50, who generally have household investments less than \$500,000.

Series F securities are offered to investors investing a minimum of \$50, who have entered into an agreement with a Distributor.

Series J NL securities are offered to investors who generally have household investments of \$500,000 or more.

Series P securities are offered exclusively to mutual funds managed by IGIM (or its affiliates) and certain institutional investors in connection with fund-of-fund arrangements.

Series S securities are offered exclusively to segregated funds managed by The Canada Life Assurance Company (or its affiliates).

Series A and Series J DSC are no longer available for sale. Effective May 3, 2024, Series A was redesignated as Series B; and effective May 10, 2024, Series J DSC was redesignated as Series J NL.

Series C securities are no longer available for sale.

Series	Inception/ Reinstatement Date	Management fee (%)	Service fee (%)	Administration fee (%)	Trustee fee (%)
Series A	None issued	1.55	–	0.08	0.05
Series B	July 13, 2012	1.55	–	0.08	0.05
Series C	August 3, 1973	1.55	–	0.08	0.05
Series F	July 12, 2013	0.20	–	0.08	0.05
Series J DSC	None issued	1.30	–	0.08	0.05
Series J NL	July 13, 2012	1.30	–	0.08	0.05
Series P	July 13, 2009	–	–	–	–
Series S	November 16, 2009	1.30	–	0.10	0.05

The fee rates in the table above are rounded to two decimals.

The original start date was July 13, 2012, for Series A and Series J DSC. Effective May 3, 2024, Series A was redesignated as Series B; and effective May 10, 2024, Series J DSC was redesignated as Series J NL.

(b) Tax Loss Carryforwards

Expiration Date of Non-Capital Losses

Total Capital Loss \$	Total Non-Capital Loss \$	2031 \$	2032 \$	2033 \$	2034 \$	2035 \$	2036 \$	2037 \$	2038 \$	2039 \$	2040 \$	2041 \$	2042 \$	2043 \$	2044 \$
279,832	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

(c) Securities Lending

	March 31, 2025		March 31, 2024	
	(\$)	(%)	(\$)	(%)
Value of securities loaned	162,303		203,522	
Value of collateral received	171,105		213,817	
Gross securities lending income	191	100.0	171	100.0
Tax withheld	–	–	(1)	(0.6)
Payments to securities lending agent	(34)	(17.8)	(30)	(17.5)
Securities lending income	157	82.2	140	81.9

(d) Commissions

For the periods ended March 31, 2025 and 2024, commissions paid by the Fund did not generate any third-party services that were provided or paid for by brokers.

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NOTES TO FINANCIAL STATEMENTS

10. Fund Specific Information (in '000, except for (a)) (cont'd)

(e) Risks Associated with Financial Instruments

i. Risk exposure and management

The Fund aims to provide a consistent level of current income by investing primarily in short-term debt securities and mortgages on improved real estate in Canada. Generally, the Fund will not invest more than 50% of its assets in foreign securities.

ii. Currency risk

As at March 31, 2025 and 2024, the Fund did not have a significant net exposure to currency risk, as the Fund entered into forward currency contracts to hedge the exposure from foreign securities.

iii. Interest rate risk

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

March 31, 2025	Bonds (\$)	Mortgages (\$)	Derivative Instruments (\$)	Impact on net assets			
				Increase by 1%		Decrease by 1%	
				(\$)	(%)	(\$)	(%)
Less than 1 year	202,205	395,027	130,313				
1-3 years	1,105,280	666,034	–				
3-5 years	328,834	246,318	–				
Greater than 5 years	117,833	80	–				
Total	1,754,152	1,307,459	130,313				
Total sensitivity to interest rate changes				(39,850)	(1.3)	40,303	1.3

March 31, 2024	Bonds (\$)	Mortgages (\$)	Derivative Instruments (\$)	Impact on net assets			
				Increase by 1%		Decrease by 1%	
				(\$)	(%)	(\$)	(%)
Less than 1 year	74,627	328,463	94,298				
1-3 years	1,373,779	1,007,501	–				
3-5 years	170,213	228,208	–				
Greater than 5 years	82,613	82	–				
Total	1,701,232	1,564,254	94,298				
Total sensitivity to interest rate changes				(38,453)	(1.1)	39,214	1.2

iv. Other price risk

As at March 31, 2025 and 2024, the Fund did not have a significant exposure to other price risk.

v. Credit risk

The Fund's greatest concentration of credit risk is in fixed-income securities, such as bonds, and certain derivative contracts, if applicable. The maximum exposure to any one issuer as at March 31, 2025, was 7.3% of the net assets of the Fund (2024 – 6.2%).

As at March 31, 2025 and 2024, debt securities by credit rating are as follows:

Bond Rating*	March 31, 2025	March 31, 2024
	% of Net Assets	% of Net Assets
AAA	4.5	4.2
AA	16.1	4.1
A	13.9	18.9
BBB	9.3	14.3
Less than BBB	1.0	1.9
Unrated	10.6	7.4
Total	55.4	50.8

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

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NOTES TO FINANCIAL STATEMENTS

10. Fund Specific Information (in '000, except for (a)) (cont'd)

(f) Fair Value Classification

The table below summarizes the fair value of the Fund's financial instruments using the fair value hierarchy described in note 3.

	March 31, 2025				March 31, 2024			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mortgages	–	1,307,459	–	1,307,459	–	1,564,254	–	1,564,254
Bonds	–	1,753,950	202	1,754,152	–	1,700,967	265	1,701,232
Equities	2,635	–	22	2,657	2,248	–	39	2,287
Options	–	64	–	64	–	8	–	8
Exchange-traded funds/notes	–	–	–	–	9,037	–	–	9,037
Mutual funds	35,103	–	–	35,103	–	–	–	–
Derivative assets	228	42	–	270	91	46	–	137
Derivative liabilities	–	(303)	–	(303)	–	(982)	–	(982)
Short-term investments	–	60,461	–	60,461	–	39,977	–	39,977
Total	37,966	3,121,673	224	3,159,863	11,376	3,304,270	304	3,315,950

The Fund'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 significant transfers between Level 1 and Level 2.

During the period ended March 31, 2025, investments with a fair value of \$Nil (2024 – \$271) were transferred from Level 2 to Level 3 as a result of changes in the inputs used for valuation.

The table below presents a reconciliation of financial instruments measured at fair value using unobservable inputs (Level 3) for the periods ended March 31, 2025 and 2024:

	March 31, 2025			March 31, 2024		
	Equities (\$)	Bonds (\$)	Total (\$)	Equities (\$)	Bonds (\$)	Total (\$)
Balance – beginning of period	39	265	304	85	–	85
Purchases	–	–	–	–	–	–
Sales	–	–	–	–	–	–
Transfers in	–	–	–	–	271	271
Transfers out	–	–	–	–	–	–
Gains (losses) during the period:						
Realized	–	–	–	–	–	–
Unrealized	(17)	(63)	(80)	(46)	(6)	(52)
Balance – end of period	22	202	224	39	265	304
Change in unrealized gains (losses) during the period attributable to securities held at end of period	(17)	(63)	(80)	(46)	(6)	(52)

Changing one or more of the inputs to reasonably possible alternative assumptions for valuing Level 3 financial instruments would not significantly affect the fair value of those instruments.

(g) Manager's Investment in the Fund

The investments held by the Manager and other funds managed by the Manager, investing in series P, R or S of the Fund, as applicable (as described in *Fund Formation and Series Information* in note 10), were as follows:

	March 31, 2025	March 31, 2024
	(\$)	(\$)
The Manager	–	–
Other funds managed by the Manager	2,734,441	2,978,346

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NOTES TO FINANCIAL STATEMENTS

10. Fund Specific Information (in '000, except for (a)) (cont'd)

(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 Fund'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, 2025			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	248	(1)	–	247
Unrealized losses on derivative contracts	(287)	1	2,533	2,247
Liability for options written	–	–	–	–
Total	(39)	–	2,533	2,494

	March 31, 2024			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	137	(6)	–	131
Unrealized losses on derivative contracts	(635)	6	2,232	1,603
Liability for options written	–	–	–	–
Total	(498)	–	2,232	1,734

(i) Interest in Unconsolidated Structured Entities

The Fund's investment details in the Underlying Funds as at March 31, 2025 and 2024 are as follows:

March 31, 2025	% of Underlying Fund's Net Assets	Fair Value of Fund's Investment (\$)
Mackenzie High Quality Floating Rate Fund Series IG	11.1	35,103

March 31, 2024	% of Underlying Fund's Net Assets	Fair Value of Fund's Investment (\$)
Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged)	1.9	9,037

(j) Transactions with the manager

During the period, the Fund acquired mortgages from the Manager valued at \$213,019 at time of purchase (2024 – \$163,168). The fair value of the mortgages at acquisition was calculated using the Modified Lender's Rate method. Under the terms of the transaction, the Manager retains the credit risk exposure associated with these mortgages.

(k) Distributions from Investments in ETFs Managed by the Sub-advisor

During the period, the Fund received \$15 (2024 – \$64) in income distributions from investments in ETFs managed by the sub-advisor to offset fees paid within the ETFs. There is no assurance that these distributions will continue in the future.

(l) Subsequent Event

Subject to regulatory approval, on July 1, 2025, the Distributors, Investors Group Financial Services Inc. and Investors Group Securities Inc., will merge into a single, dual-registered dealer named IG Wealth Management Inc. that will operate as an investment dealer with a dedicated mutual fund division.