

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

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



Damon Murchison
President and Chief Executive Officer



Terry Rountes
Chief Financial Officer, Funds

June 6, 2024

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, 2024 and March 31, 2023
- 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, 2024 and March 31, 2023, 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 6, 2024

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

STATEMENTS OF FINANCIAL POSITION

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

	2024	2023
	\$	\$
ASSETS		
Current assets		
Investments at fair value	3,276,818	3,617,589
Cash and cash equivalents	60,603	37,865
Accrued interest receivable	18,981	16,061
Dividends receivable	11	3
Accounts receivable for investments sold	432	7,047
Accounts receivable for securities issued	–	–
Due from manager	14	23
Margin on derivatives	2,232	6,379
Derivative assets	137	2,593
Total assets	3,359,228	3,687,560
LIABILITIES		
Current liabilities		
Accounts payable for investments purchased	6,295	3,933
Accounts payable for securities redeemed	813	3
Due to manager	29	20
Derivative liabilities	982	5,449
Total liabilities	8,119	9,405
Net assets attributable to securityholders	3,351,109	3,678,155

STATEMENTS OF COMPREHENSIVE INCOME

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

	2024	2023
	\$	\$
Income		
Dividends	111	206
Interest income for distribution purposes	124,616	121,275
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(49,859)	(84,990)
Net unrealized gain (loss)	99,520	(34,656)
Securities lending income	140	180
Fee rebate income	64	141
Total income (loss)	174,592	2,156
Expenses (note 6)		
Management fees	3,195	4,018
Management fee rebates	(3)	(4)
Administration fees	397	457
Interest charges	40	32
Trustee fees	241	278
Mortgage administration and servicing fees	2,674	2,948
Commissions and other portfolio transaction costs	71	224
Independent Review Committee fees	8	9
Other	8	1
Expenses before amounts absorbed by Manager	6,631	7,963
Expenses absorbed by Manager	–	–
Net expenses	6,631	7,963
Increase (decrease) in net assets attributable to securityholders from operations before tax	167,961	(5,807)
Foreign withholding tax expense (recovery)	(14)	82
Foreign income tax expense (recovery)	–	–
Increase (decrease) in net assets attributable to securityholders from operations	167,975	(5,889)

Net assets attributable to securityholders (note 3)

	per security		per series	
	2024	2023	2024	2023
Series A	9.15	9.01	29,546	40,591
Series B	9.14	9.00	18,411	25,366
Series C	4.67	4.59	30,724	38,941
Series F	9.40	9.25	274,635	279,905
Series J DSC	9.21	9.07	12,900	16,502
Series J NL	9.20	9.05	6,547	8,835
Series P	10.32	10.16	2,927,537	3,215,054
Series S	9.32	9.18	50,809	52,961
			3,351,109	3,678,155

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

	per security		per series	
	2024	2023	2024	2023
Series A	0.27	(0.19)	1,026	(1,073)
Series B	0.27	(0.20)	629	(674)
Series C	0.14	(0.09)	1,067	(873)
Series F	0.44	(0.01)	12,822	(450)
Series J DSC	0.30	(0.18)	472	(397)
Series J NL	0.29	(0.12)	232	(121)
Series P	0.52	(0.00)	149,977	(1,538)
Series S	0.32	(0.13)	1,750	(763)
			167,975	(5,889)

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, 2024

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	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	3,678,155	4,428,057	40,591	61,283	25,366	38,578	38,941	52,616	279,905	311,903
Increase (decrease) in net assets from operations	167,975	(5,889)	1,026	(1,073)	629	(674)	1,067	(873)	12,822	(450)
Distributions paid to securityholders:										
Investment income	(116,759)	(147,372)	(573)	(1,022)	(353)	(622)	(592)	(949)	(8,717)	(10,665)
Capital gains	—	—	—	—	—	—	—	—	—	—
Management fee rebates	(3)	(4)	—	—	—	—	—	—	—	—
Total distributions paid to securityholders	(116,762)	(147,376)	(573)	(1,022)	(353)	(622)	(592)	(949)	(8,717)	(10,665)
Security transactions:										
Proceeds from securities issued	524,224	316,892	417	601	2,510	5,186	412	493	109,162	110,006
Reinvested distributions	110,841	140,600	560	1,007	336	596	579	930	2,861	3,976
Payments on redemption of securities	(1,013,324)	(1,054,129)	(12,475)	(20,205)	(10,077)	(17,698)	(9,683)	(13,276)	(121,398)	(134,865)
Total security transactions	(378,259)	(596,637)	(11,498)	(18,597)	(7,231)	(11,916)	(8,692)	(11,853)	(9,375)	(20,883)
Increase (decrease) in net assets attributable to securityholders	(327,046)	(749,902)	(11,045)	(20,692)	(6,955)	(13,212)	(8,217)	(13,675)	(5,270)	(31,998)
End 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 fund securities (in thousands) (note 7):										
Securities outstanding – beginning of period			4,507	6,558	2,818	4,131	8,477	11,038	30,252	32,491
Issued			46	66	279	570	90	106	11,781	11,810
Reinvested distributions			62	112	37	66	126	203	309	430
Redeemed			(1,385)	(2,229)	(1,120)	(1,949)	(2,107)	(2,870)	(13,117)	(14,479)
Securities outstanding – end of period			3,230	4,507	2,014	2,818	6,586	8,477	29,225	30,252

	Series J DSC		Series J NL		Series P		Series S	
	2024	2023	2024	2023	2024	2023	2024	2023
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS								
Beginning of period	16,502	26,533	8,835	10,845	3,215,054	3,864,504	52,961	61,795
Increase (decrease) in net assets from operations	472	(397)	232	(121)	149,977	(1,538)	1,750	(763)
Distributions paid to securityholders:								
Investment income	(286)	(465)	(142)	(228)	(105,099)	(132,104)	(997)	(1,317)
Capital gains	—	—	—	—	—	—	—	—
Management fee rebates	(2)	(3)	(1)	(1)	—	—	—	—
Total distributions paid to securityholders	(288)	(468)	(143)	(229)	(105,099)	(132,104)	(997)	(1,317)
Security transactions:								
Proceeds from securities issued	1,549	1,668	2,451	6,365	393,615	167,870	14,108	24,703
Reinvested distributions	275	453	134	217	105,099	132,104	997	1,317
Payments on redemption of securities	(5,610)	(11,287)	(4,962)	(8,242)	(831,109)	(815,782)	(18,010)	(32,774)
Total security transactions	(3,786)	(9,166)	(2,377)	(1,660)	(332,395)	(515,808)	(2,905)	(6,754)
Increase (decrease) in net assets attributable to securityholders	(3,602)	(10,031)	(2,288)	(2,010)	(287,517)	(649,450)	(2,152)	(8,834)
End of period	12,900	16,502	6,547	8,835	2,927,537	3,215,054	50,809	52,961
Increase (decrease) in fund securities (in thousands) (note 7):								
Securities outstanding – beginning of period	1,820	2,820	976	1,154	316,497	366,638	5,771	6,490
Issued	171	184	269	702	38,522	16,439	1,537	2,678
Reinvested distributions	30	50	15	24	10,355	13,000	109	144
Redeemed	(620)	(1,234)	(548)	(904)	(81,599)	(79,580)	(1,966)	(3,541)
Securities outstanding – end of period	1,401	1,820	712	976	283,775	316,497	5,451	5,771

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)

	2024	2023
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	167,975	(5,889)
Adjustments for:		
Net realized loss (gain) on investments	45,109	93,546
Change in net unrealized loss (gain) on investments	(99,520)	34,656
Distributions received in-kind from underlying funds	(64)	(736)
Purchase of investments	(1,467,962)	(1,457,216)
Proceeds from sale and maturity of investments	1,870,064	1,845,760
(Increase) decrease in accounts receivable and other assets	1,228	(8,614)
Increase (decrease) in accounts payable and other liabilities	9	(4)
Net cash provided by (used in) operating activities	516,839	501,503
Cash flows from financing activities		
Proceeds from securities issued	508,500	284,381
Payments on redemption of securities	(996,790)	(1,021,615)
Distributions paid net of reinvestments	(5,921)	(6,776)
Net cash provided by (used in) financing activities	(494,211)	(744,010)
Net increase (decrease) in cash and cash equivalents	22,628	(242,507)
Cash and cash equivalents at beginning of period	37,865	278,807
Effect of exchange rate fluctuations on cash and cash equivalents	110	1,565
Cash and cash equivalents at end of period	60,603	37,865
Cash	20,626	37,865
Cash equivalents	39,977	–
Cash and cash equivalents at end of period	60,603	37,865
Supplementary disclosures on cash flow from operating activities:		
Dividends received	103	206
Foreign taxes paid (recovered)	(14)	82
Interest received	121,696	119,049
Interest paid	40	32

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, 2024

	Country	Sector	Par Value/ Number of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
MORTGAGES	Canada	See Schedules 1-5	1,637,604,428	1,635,797	1,564,254
BONDS					
407 International Inc. 4.22% 02-14-2028	Canada	Corporate - Non Convertible	8,720,000	8,522	8,633
AerCap Ireland Capital DAC 3.00% 10-29-2028	Ireland	Corporate - Non Convertible	USD 3,710,000	4,269	4,552
Air Lease Corp. 5.40% 06-01-2028	United States	Corporate - Non Convertible	7,150,000	7,174	7,285
Alectra Inc. 3.24% 11-21-2024 Callable 2024	Canada	Corporate - Non Convertible	2,460,000	2,570	2,431
Algonquin Power & Utilities Corp. 4.09% 02-17-2027 Callable	Canada	Corporate - Non Convertible	783,000	737	764
Algonquin Power & Utilities Corp. F/R 01-18-2082	Canada	Corporate - Non Convertible	1,828,000	1,828	1,582
Alimentation Couche-Tard Inc. 4.60% 01-25-2029	Canada	Corporate - Non Convertible	2,430,000	2,430	2,434
AltaGas Ltd. 4.64% 05-15-2026	Canada	Corporate - Non Convertible	10,102,000	9,895	10,052
AltaGas Ltd. 2.17% 03-16-2027	Canada	Corporate - Non Convertible	670,000	670	623
AltaGas Ltd. F/R 01-11-2082	Canada	Corporate - Non Convertible	1,130,000	1,130	976
AltaGas Ltd. F/R 08-17-2082	Canada	Corporate - Non Convertible	210,000	210	213
Alice Financing SA 5.75% 08-15-2029 144A	Luxembourg	Corporate - Non Convertible	USD 300,000	376	327
Alice France SA 5.13% 07-15-2029	France	Corporate - Non Convertible	USD 500,000	627	459
Alice International SARL 5.00% 01-15-2028 144A	Luxembourg	Corporate - Non Convertible	USD 200,000	227	223
ARC Resources Ltd. 2.35% 03-10-2026	Canada	Corporate - Non Convertible	5,880,000	5,880	5,606
ARD Finance SA 6.50% 06-30-2027 144A	Luxembourg	Corporate - Non Convertible	USD 401,000	429	181
Ardagh Packaging Finance PLC 5.25% 08-15-2027 144A	United States	Corporate - Non Convertible	USD 379,000	432	321
Aroundtown SA 4.63% 09-18-2025 Callable 2025	Germany	Corporate - Non Convertible	1,410,000	1,404	1,359
Ascend Wellness Holdings Inc. Term Loan 1st Lien F/R 08-27-2025	United States	Term Loans	USD 1,580,000	1,984	2,033
Athene Global Funding F/R 04-09-2024	United States	Corporate - Non Convertible	7,800,000	7,800	7,845
Athene Global Funding 2.47% 06-09-2028	United States	Corporate - Non Convertible	6,008,000	5,219	5,445
Athene Global Funding 5.11% 03-07-2029	United States	Corporate - Non Convertible	2,280,000	2,280	2,289
Avolon Holdings Funding Ltd. 5.75% 03-01-2029 144A	Ireland	Corporate - Non Convertible	USD 4,190,000	5,607	5,658
Baidu Inc. 1.63% 02-23-2027	China	Corporate - Non Convertible	USD 6,530,000	8,256	8,021
Bank of America Corp. F/R 09-15-2027 (Fixed-To-Floating Rate)	United States	Corporate - Non Convertible	1,824,000	1,783	1,703
Bank of America Corp. F/R 03-16-2028	United States	Corporate - Non Convertible	16,441,000	15,885	15,899
Bank of Montreal 3.65% 04-01-2027	Canada	Corporate - Non Convertible	12,312,000	12,170	11,983
Bank of Montreal 4.31% 06-01-2027	Canada	Corporate - Non Convertible	11,878,000	11,818	11,779
Bank of Montreal 4.71% 12-07-2027	Canada	Corporate - Non Convertible	17,907,000	17,903	17,983
Bank of Montreal 4.54% 12-18-2028	Canada	Corporate - Non Convertible	5,120,000	5,120	5,111
Bank of Montreal F/R 10-27-2032	Canada	Corporate - Non Convertible	4,444,000	4,519	4,673
Bank of Montreal F/R 09-07-2033	Canada	Corporate - Non Convertible	12,641,000	12,647	13,165
Bank of Montreal F/R 11-26-2080	Canada	Corporate - Non Convertible	1,919,000	1,879	1,843
Bank of Montreal F/R 11-26-2082	Canada	Corporate - Non Convertible	4,667,000	4,672	4,710
The Bank of Nova Scotia 5.50% 05-08-2026	Canada	Corporate - Non Convertible	6,931,000	6,931	7,031
The Bank of Nova Scotia 2.95% 03-08-2027	Canada	Corporate - Non Convertible	1,550,000	1,477	1,480
The Bank of Nova Scotia 4.68% 02-01-2029	Canada	Corporate - Non Convertible	4,410,000	4,409	4,428
The Bank of Nova Scotia F/R 05-03-2032	Canada	Corporate - Non Convertible	4,445,000	4,445	4,310
The Bank of Nova Scotia F/R 08-02-2033	Canada	Corporate - Non Convertible	1,990,000	1,990	2,039
The Bank of Nova Scotia F/R 07-27-2082	Canada	Corporate - Non Convertible	11,410,000	11,360	11,395
BCE Inc. 2.20% 05-29-2028	Canada	Corporate - Non Convertible	1,200,000	1,199	1,097
Bell Canada Inc. 3.60% 09-29-2027 Callable 2027	Canada	Corporate - Non Convertible	17,303,000	16,135	16,754
Bell Canada 5.15% 11-14-2028	Canada	Corporate - Non Convertible	632,000	628	645
Bell Canada 5.25% 03-15-2029	Canada	Corporate - Non Convertible	740,000	739	759
Bimbo Bakeries USA Inc. 6.05% 01-15-2029	Mexico	Corporate - Non Convertible	USD 2,550,000	3,523	3,576
Broadcast Media Partners Holdings Inc. 4.50% 05-01-2029	United States	Corporate - Non Convertible	USD 490,000	595	596
Broadcom Inc. 4.11% 09-15-2028	United States	Corporate - Non Convertible	USD 720,000	918	943
Brookfield Infrastructure Finance ULC 4.20% 09-11-2028 Callable 2028	Canada	Corporate - Non Convertible	22,000	21	21
Brookfield Renewable Energy Partners ULC 3.63% 01-15-2027 Callable 2026	Canada	Corporate - Non Convertible	2,946,000	2,896	2,860
Brookfield Residential Properties Inc. 5.13% 06-15-2029	Canada	Corporate - Non Convertible	430,000	430	386
Bruce Power LP 4.70% 12-21-2027	Canada	Corporate - Non Convertible	24,230,000	23,622	24,313
Bruce Power LP 2.68% 12-21-2028	Canada	Corporate - Non Convertible	2,923,000	2,922	2,692
CAE Inc. 5.54% 06-12-2028	Canada	Corporate - Non Convertible	2,060,000	2,060	2,102
Canadian Core Real Estate LP 3.30% 03-02-2027	Canada	Corporate - Non Convertible	3,980,000	3,980	3,726
Canadian Imperial Bank of Commerce 4.95% 06-29-2027	Canada	Corporate - Non Convertible	10,030,000	10,118	10,130
Canadian Imperial Bank of Commerce 5.05% 10-07-2027	Canada	Corporate - Non Convertible	10,835,000	10,576	10,984
Canadian Imperial Bank of Commerce F/R 04-21-2031	Canada	Corporate - Non Convertible	3,017,000	3,018	2,837
Canadian Imperial Bank of Commerce F/R 04-07-2032	Canada	Corporate - Non Convertible	3,514,000	3,469	3,433
Canadian Imperial Bank of Commerce F/R 01-20-2033	Canada	Corporate - Non Convertible	2,900,000	2,900	2,930

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SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2024

	Country	Sector	Par Value/ Number of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
BONDS (cont'd)					
Canadian Imperial Bank of Commerce F/R 04-20-2033	Canada	Corporate - Non Convertible	530,000	529	536
Canadian Imperial Bank of Commerce F/R 01-16-2034	Canada	Corporate - Non Convertible	2,990,000	2,990	3,017
Canadian Imperial Bank of Commerce 4.38% 10-28-2080	Canada	Corporate - Non Convertible	300,000	300	288
Canadian Imperial Bank of Commerce F/R 07-28-2082	Canada	Corporate - Non Convertible	3,447,000	3,438	3,450
Canadian Mortgage Pools 3.84% 11-01-2028	Canada	Mortgage Backed	14,612,866	14,189	14,432
Canadian National Railway Co. 3.20% 07-31-2028	Canada	Corporate - Non Convertible	1,248,000	1,140	1,195
Canadian Natural Resources Ltd. 2.50% 01-17-2028	Canada	Corporate - Non Convertible	1,130,000	1,130	1,046
Canadian Pacific Railway Ltd. 2.54% 02-28-2028	Canada	Corporate - Non Convertible	3,217,000	3,034	3,008
Canadian Western Bank 2.61% 01-30-2025 Callable 2024	Canada	Corporate - Non Convertible	12,650,000	12,496	12,394
Canadian Western Bank 5.15% 09-02-2027	Canada	Corporate - Non Convertible	8,440,000	8,385	8,510
Canadian Western Bank F/R 12-22-2032	Canada	Corporate - Non Convertible	1,260,000	1,260	1,265
Canadian Western Bank 5.95% 01-29-2034	Canada	Corporate - Non Convertible	1,650,000	1,651	1,656
Canadian Western Bank F/R 07-31-2081	Canada	Corporate - Non Convertible	790,000	790	620
Cannabist Co. Holdings Inc. 6.00% 06-29-2025	Canada	Corporate - Convertible	USD 230,000	283	265
Cannabist Co. Holdings Inc. 9.50% 02-03-2026	Canada	Corporate - Non Convertible	USD 210,000	265	241
Capital Power Corp. 4.99% 01-23-2026 Callable 2025	Canada	Corporate - Non Convertible	7,800,000	8,155	7,765
Capital Power Corp. 5.38% 01-25-2027	Canada	Corporate - Non Convertible	10,340,000	10,339	10,427
Cenovus Energy Inc. 3.60% 03-10-2027 Callable 2026	Canada	Corporate - Non Convertible	2,509,000	2,447	2,435
Cenovus Energy Inc. 3.50% 02-07-2028 Callable 2027	Canada	Corporate - Non Convertible	4,770,000	4,678	4,579
Centrais Eletricas Brasileiras SA 3.63% 02-04-2025	Brazil	Corporate - Non Convertible	USD 1,020,000	1,346	1,354
Central 1 Credit Union 5.88% 11-10-2026	Canada	Corporate - Non Convertible	1,800,000	1,800	1,831
Central 1 Credit Union 4.65% 02-07-2028	Canada	Corporate - Non Convertible	2,773,000	2,773	2,730
Central 1 Credit Union F/R 06-30-2031	Canada	Corporate - Non Convertible	17,500,000	17,500	16,286
CGI Inc. 2.10% 09-18-2028	Canada	Corporate - Non Convertible	510,000	509	460
Charter Communications Operating LLC 6.15% 11-10-2026	United States	Corporate - Non Convertible	USD 1,400,000	1,925	1,911
CHIP Mortgage Trust 1.50% 11-15-2024	Canada	Corporate - Non Convertible	4,000	4	4
Choice Properties Real Estate Investment Trust 3.55% 01-10-2025 Callable 2024	Canada	Corporate - Non Convertible	1,810,000	1,846	1,786
Choice Properties Real Estate Investment Trust 2.46% 11-30-2026	Canada	Corporate - Non Convertible	2,120,000	2,120	1,999
Choice Properties Real Estate Investment Trust 2.85% 05-21-2027	Canada	Corporate - Non Convertible	313,000	285	296
CIFI Holdings Group Co. Ltd. 6.00% 07-16-2025	China	Corporate - Non Convertible	USD 1,375,000	443	158
Clydesdale Acquisition Holdings Inc. 8.75% 04-15-2030 144A	United States	Corporate - Non Convertible	USD 47,000	60	63
Coast Capital Savings Federal Credit Union F/R 05-02-2033	Canada	Corporate - Non Convertible	4,650,000	4,650	4,727
Cogeco Communications Inc. 6.13% 02-27-2029	Canada	Corporate - Non Convertible	2,540,000	2,543	2,563
Cologix Data Centers Issuer LLC 4.94% 01-25-2052	Canada	Mortgage Backed	234,000	234	217
Cologix Data Centers Issuer LLC 5.68% 01-25-2052	Canada	Mortgage Backed	187,000	187	172
CommScope Inc. 4.75% 09-01-2029 144A	United States	Corporate - Non Convertible	USD 380,000	475	375
CommScope Technologies Finance LLC 8.25% 03-01-2027 144A	United States	Corporate - Non Convertible	USD 116,000	152	74
Constellation Software Inc. 5.16% 02-16-2029 144A	Canada	Corporate - Non Convertible	USD 500,000	673	677
Corp Nacional del Cobre de Chile 4.50% 09-16-2025	Chile	Corporate - Non Convertible	USD 1,180,000	1,572	1,574
Corus Entertainment Inc. 5.00% 05-11-2028	Canada	Corporate - Non Convertible	660,000	660	481
Country Garden Holdings Co. Ltd. 2.70% 07-12-2026	China	Corporate - Non Convertible	USD 2,375,000	2,021	222
Credicorp Ltd. 2.75% 06-17-2025 Callable 2025	Peru	Corporate - Non Convertible	USD 4,750,000	6,314	6,201
Crombie Real Estate Investment Trust 3.92% 06-21-2027 Callable 2027	Canada	Corporate - Non Convertible	582,000	610	564
Crombie Real Estate Investment Trust 2.69% 03-31-2028 Callable 2028	Canada	Corporate - Non Convertible	780,000	785	715
Curaleaf Holdings Inc. 8.00% 12-15-2026	United States	Corporate - Non Convertible	USD 3,190,000	4,089	3,940
DIRECTV Holdings LLC 5.88% 08-15-2027 144A	United States	Corporate - Non Convertible	USD 380,000	477	487
Dollarama Inc. 1.87% 07-08-2026	Canada	Corporate - Non Convertible	8,467,000	7,697	7,969
Dollarama Inc. 5.53% 09-26-2028	Canada	Corporate - Non Convertible	6,246,000	6,237	6,488
Domtar Corp. 6.75% 10-01-2028 144A	United States	Corporate - Non Convertible	USD 1,363,000	1,722	1,682
Dream Industrial Real Estate Investment Trust 3.97% 04-13-2026	Canada	Corporate - Non Convertible	1,400,000	1,400	1,372
Dream Industrial Real Estate Investment Trust 2.54% 12-07-2026	Canada	Corporate - Non Convertible	2,810,000	2,810	2,636
Dream Industrial Real Estate Investment Trust 2.06% 06-17-2027	Canada	Corporate - Non Convertible	760,000	760	694
Dream Industrial Real Estate Investment Trust 5.38% 03-22-2028	Canada	Corporate - Non Convertible	2,690,000	2,697	2,723
Ecopetrol SA 6.88% 04-29-2030 Callable 2030	Colombia	Corporate - Non Convertible	USD 310,000	468	411
Ecopetrol SA 4.63% 11-02-2031	Colombia	Corporate - Non Convertible	USD 34,000	35	38
The Empire Life Insurance Co. 5.50% 01-13-2033	Canada	Corporate - Non Convertible	1,870,000	1,870	1,876
The Empire Life Insurance Co. 3.63% 04-17-2081	Canada	Corporate - Non Convertible	500,000	500	403
Enbridge Gas Inc. 5.46% 10-06-2028	Canada	Corporate - Non Convertible	10,388,000	10,388	10,853
Enbridge Inc. 3.20% 06-08-2027 Callable 2027	Canada	Corporate - Non Convertible	17,340,000	15,902	16,616
Enbridge Inc. 4.90% 05-26-2028	Canada	Corporate - Non Convertible	2,305,000	2,278	2,327

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BONDS (cont'd)					
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate - Non Convertible	7,348,000	6,613	7,033
Énergir Inc. 2.10% 04-16-2027 Callable 2027	Canada	Corporate - Non Convertible	760,000	760	710
Equitable Bank 1.88% 11-26-2025	Canada	Corporate - Non Convertible	678,000	606	641
Equitable Bank 3.36% 03-02-2026	Canada	Corporate - Non Convertible	3,142,000	3,142	3,028
Fairfax India Holdings Corp. 5.00% 02-26-2028 144A	India	Corporate - Non Convertible	USD 480,000	601	575
Fédération des Caisses Desjardins du Québec 2.42% 10-04-2024	Canada	Corporate - Non Convertible	20,990,000	20,680	20,712
Fédération des Caisses Desjardins du Québec 4.41% 05-19-2027	Canada	Corporate - Non Convertible	5,270,000	5,270	5,233
Fédération des Caisses Desjardins du Québec 5.48% 08-16-2028	Canada	Corporate - Non Convertible	9,685,000	9,556	10,023
Fédération des Caisses Desjardins du Québec 5.47% 11-17-2028	Canada	Corporate - Non Convertible	8,380,000	8,423	8,668
Fédération des Caisses Desjardins du Québec F/R 08-23-2032	Canada	Corporate - Non Convertible	1,300,000	1,300	1,301
First Capital Real Estate Investment Trust 3.45% 03-01-2028	Canada	Corporate - Non Convertible	1,920,000	1,698	1,798
First Capital Realty Inc. 5.57% 03-01-2031	Canada	Corporate - Non Convertible	1,718,000	1,738	1,738
First National Financial Corp. 6.26% 11-01-2027	Canada	Corporate - Non Convertible	2,585,000	2,585	2,601
Ford Credit Canada Co. 6.33% 11-10-2026	United States	Corporate - Non Convertible	12,977,000	12,936	13,277
Ford Credit Canada Co. 5.58% 02-22-2027	United States	Corporate - Non Convertible	1,860,000	1,860	1,873
Frontera Generation Holdings LLC Term Loan 1st Lien F/R 07-28-2026	United States	Term Loans	USD 136,311	173	46
Frontera Generation Holdings LLC Term Loan 2nd Lien F/R 04-26-2028	United States	Term Loans	USD 132,305	95	4
General Motors Financial of Canada Ltd. 5.20% 02-09-2028	United States	Corporate - Non Convertible	1,850,000	1,849	1,870
General Motors Financial of Canada Ltd. 5.00% 02-09-2029	United States	Corporate - Non Convertible	2,310,000	2,306	2,320
GFL Environmental Inc. 3.75% 08-01-2025 144A	Canada	Corporate - Non Convertible	USD 1,650,000	2,172	2,180
GFL Environmental Inc. 5.13% 12-15-2026 144A	Canada	Corporate - Non Convertible	USD 520,000	688	692
GFL Environmental Inc. 3.50% 09-01-2028 144A	Canada	Corporate - Non Convertible	USD 176,000	224	219
Gibson Energy Inc. 5.80% 07-12-2026	Canada	Corporate - Non Convertible	21,693,000	21,684	21,709
Gibson Energy Inc. 2.85% 07-14-2027 Callable 2027	Canada	Corporate - Non Convertible	2,163,000	2,197	2,038
Gibson Energy Inc. F/R 12-22-2080	Canada	Corporate - Non Convertible	750,000	753	664
Gibson Energy Inc. F/R 07-12-2083	Canada	Corporate - Non Convertible	550,000	557	574
Go Daddy Operating Co. LLC 3.50% 03-01-2029 144A	United States	Corporate - Non Convertible	USD 50,000	61	61
The Goldman Sachs Group Inc. F/R 11-30-2027	United States	Corporate - Non Convertible	10,458,000	10,253	9,856
Government of Bahamas 6.00% 11-21-2028 Callable 2028	Bahamas	Foreign Governments	USD 1,260,000	1,604	1,534
Government of Brazil 10.00% 01-01-2027	Brazil	Foreign Governments	BRL 800,000	2,041	2,153
Government of Canada 4.25% 12-01-2026 Real Return	Canada	Federal Government	33,760,000	72,468	65,029
Government of Canada 2.75% 09-01-2027	Canada	Federal Government	2,894,000	2,725	2,811
Government of Canada 3.25% 09-01-2028	Canada	Federal Government	52,500,000	50,266	51,865
Granite Real Estate Investment Trust 3.06% 06-04-2027	Canada	Corporate - Non Convertible	12,280,000	11,316	11,649
Granite Real Estate Investment Trust 2.19% 08-30-2028	Canada	Corporate - Non Convertible	1,560,000	1,484	1,393
Granite REIT Holdings LP 6.07% 04-12-2029	Canada	Corporate - Non Convertible	1,040,000	1,040	1,089
Gray Escrow Inc. 7.00% 05-15-2027 144A	United States	Corporate - Non Convertible	USD 260,000	317	328
Gray Television Inc. 5.38% 11-15-2031 144A	United States	Corporate - Non Convertible	USD 3,135,000	3,884	2,789
Greater Toronto Airports Authority 1.54% 05-03-2028	Canada	Corporate - Non Convertible	1,130,000	997	1,021
H&R Real Estate Investment Trust 4.07% 06-16-2025 Callable 2025	Canada	Corporate - Non Convertible	7,422,000	7,554	7,292
Heathrow Funding Ltd. 3.25% 05-21-2025	United Kingdom	Corporate - Non Convertible	2,350,000	2,460	2,298
Heathrow Funding Ltd. 2.69% 10-13-2027	United Kingdom	Corporate - Non Convertible	801,000	801	750
Honda Canada Finance Inc. 4.87% 09-23-2027	Canada	Corporate - Non Convertible	3,465,000	3,470	3,501
Honda Canada Finance Inc. 5.73% 09-28-2028	Canada	Corporate - Non Convertible	1,920,000	1,920	2,012
Hydro One Inc. 4.91% 01-27-2028	Canada	Corporate - Non Convertible	12,252,000	12,348	12,516
Hydro One Inc. 1.41% 10-15-2027 Callable 2027	Canada	Corporate - Non Convertible	1,040,000	1,040	946
Hyundai Capital Canada Inc. 4.81% 02-01-2027	Canada	Corporate - Non Convertible	8,730,000	8,730	8,740
iA Financial Corp. Inc. F/R 06-20-2033	Canada	Corporate - Non Convertible	1,670,000	1,670	1,715
Intact Financial Corp. 2.18% 05-18-2028	Canada	Corporate - Non Convertible	780,000	780	717
Intact Financial Corp. F/R 03-31-2081	Canada	Corporate - Non Convertible	1,470,000	1,470	1,354
Inter Pipeline Ltd. 3.48% 12-16-2026 Callable 2026	Canada	Corporate - Non Convertible	2,211,000	2,340	2,124
Inter Pipeline Ltd. 4.23% 06-01-2027	Canada	Corporate - Non Convertible	9,182,000	9,015	8,963
Inter Pipeline Ltd. 5.76% 02-17-2028	Canada	Corporate - Non Convertible	400,000	400	409
Inter Pipeline Ltd. F/R 03-26-2079 Callable 2029	Canada	Corporate - Non Convertible	1,510,000	1,510	1,461
International Bank for Reconstruction and Development 0% 03-31-2027	Supra - National	n/a	USD 5,450,000	6,495	6,451
Jazz Pharmaceuticals PLC 4.38% 01-15-2029	United States	Corporate - Non Convertible	USD 300,000	375	379
John Deere Financial Inc. 4.36% 01-20-2027	United States	Corporate - Non Convertible	4,328,000	4,327	4,309
John Deere Financial Inc. 4.95% 06-14-2027	United States	Corporate - Non Convertible	8,636,000	8,635	8,749
John Deere Financial Inc. 5.17% 09-15-2028	United States	Corporate - Non Convertible	29,617,000	29,836	30,548

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BONDS (cont'd)					
JPMorgan Chase & Co. 1.90% 03-05-2028	United States	Corporate - Non Convertible	2,560,000	2,560	2,369
Kaisa Group Holdings Ltd. 8.65% 04-06-2024	China	Corporate - Non Convertible	USD 1,500,000	665	54
Kaisa Group Holdings Ltd. 10.50% 04-06-2024	China	Corporate - Non Convertible	USD 2,300,000	1,475	78
Kaisa Group Holdings Ltd. 9.38% 06-30-2024	China	Corporate - Non Convertible	USD 300,000	233	13
Kaisa Group Holdings Ltd. 11.70% 11-11-2025	China	Corporate - Non Convertible	USD 400,000	481	15
Kleopatra Finco SARL 4.25% 03-01-2026	Luxembourg	Corporate - Non Convertible	EUR 333,000	402	416
Knight Health Holdings LLC Term Loan B 1st Lien F/R 12-17-2028	United States	Term Loans	USD 1,378,388	1,646	848
Kronos Acquisition Holdings Inc. 5.00% 12-31-2026 144A	United States	Corporate - Non Convertible	USD 140,000	173	186
LABL Inc. 8.25% 11-01-2029 144A	United States	Corporate - Non Convertible	USD 247,000	280	287
Laurentian Bank of Canada F/R 06-15-2032	Canada	Corporate - Non Convertible	3,300,000	3,300	3,145
LGI Homes Inc. 8.75% 12-15-2028 144A	United States	Corporate - Non Convertible	USD 110,000	151	157
LifeScan Global Corp. Term Loan B 1st Lien Sr F/R 12-31-2026	United States	Term Loans	USD 1,173,959	1,492	994
Logan Group Co. Ltd. 4.70% 07-06-2026	China	Corporate - Non Convertible	USD 4,472,000	3,585	614
LSF10 XL Bidco SCA Term Loan B 1st Lien F/R 03-30-2028	Luxembourg	Term Loans	EUR 1,561,851	2,301	2,112
Manulife Bank of Canada 2.86% 02-16-2027	Canada	Corporate - Non Convertible	1,370,000	1,370	1,308
Manulife Financial Corp. F/R 03-10-2033	Canada	Corporate - Non Convertible	19,861,000	19,808	20,246
Manulife Financial Corp. F/R 02-23-2034	Canada	Corporate - Non Convertible	3,290,000	3,290	3,309
Manulife Financial Corp. F/R 06-19-2082	Canada	Corporate - Non Convertible	9,715,000	9,649	9,758
MARB BondCo. PLC 3.95% 01-29-2031	Brazil	Corporate - Non Convertible	USD 400,000	413	447
Mattamy Group Corp. 4.63% 03-01-2030 Callable 2025 144A	Canada	Corporate - Non Convertible	USD 206,000	227	255
Mauser Packaging Solutions Holding Co. 7.88% 08-15-2026 144A	United States	Corporate - Non Convertible	USD 60,000	80	83
Mauser Packaging Solutions Holding Co. 9.25% 04-15-2027 144A	United States	Corporate - Non Convertible	USD 61,000	81	82
Micron Technology Inc. 5.38% 04-15-2028	United States	Corporate - Non Convertible	USD 720,000	968	985
Mozart Debt Merger Sub Inc. 3.88% 04-01-2029 144A	United States	Corporate - Non Convertible	USD 1,748,000	2,213	2,156
Mozart Debt Merger Sub Inc. 5.25% 10-01-2029 144A	United States	Corporate - Non Convertible	USD 2,583,000	3,263	3,308
National Bank of Canada F/R 08-18-2026 Callable 2025	Canada	Corporate - Non Convertible	2,760,000	2,771	2,638
National Bank of Canada 5.22% 06-14-2028	Canada	Corporate - Non Convertible	15,290,000	15,248	15,649
National Bank of Canada 5.02% 02-01-2029	Canada	Corporate - Non Convertible	5,110,000	5,169	5,200
National Bank of Canada F/R 08-16-2032	Canada	Corporate - Non Convertible	6,650,000	6,650	6,735
National Bank of Canada 5.28% 02-15-2034	Canada	Corporate - Non Convertible	1,770,000	1,770	1,785
National Bank of Canada F/R 08-15-2081	Canada	Corporate - Non Convertible	2,360,000	2,364	1,880
New Red Finance Inc. 4.00% 10-15-2030	Canada	Corporate - Non Convertible	USD 2,320,000	3,053	2,801
Nexstar Escrow Inc. 5.63% 07-15-2027 144A	United States	Corporate - Non Convertible	USD 472,000	627	614
NextEra Energy Capital Holdings Inc. 1.90% 06-15-2028	United States	Corporate - Non Convertible	USD 670,000	806	804
North West Redwater Partnership Co. Ltd. 3.20% 04-24-2026	Canada	Corporate - Non Convertible	18,600,000	17,607	18,067
North West Redwater Partnership Co. Ltd. 2.80% 06-01-2027	Canada	Corporate - Non Convertible	2,422,000	2,401	2,302
OMERS Finance Trust 1.55% 04-21-2027	Canada	Provincial Governments	3,610,000	3,682	3,347
Ontario Power Generation Inc. 1.17% 04-22-2026 Callable 2026	Canada	Corporate - Non Convertible	8,250,000	7,454	7,690
Ontario Teachers' Finance Trust 1.10% 10-19-2027	Canada	Provincial Governments	1,579,000	1,472	1,426
OPB Finance Trust 2.98% 01-25-2027	Canada	Provincial Governments	808,000	855	780
Parkland Fuel Corp. 5.88% 07-15-2027 144A	Canada	Corporate - Non Convertible	USD 467,000	615	628
Pembina Pipeline Corp. 5.72% 06-22-2026	Canada	Corporate - Non Convertible	2,792,000	2,791	2,793
Pembina Pipeline Corp. 4.24% 06-15-2027 Callable 2027	Canada	Corporate - Non Convertible	12,978,000	12,364	12,812
Pembina Pipeline Corp. 4.02% 03-27-2028 Callable 2027	Canada	Corporate - Non Convertible	2,040,000	2,227	1,991
Pembina Pipeline Corp. F/R 01-25-2081	Canada	Corporate - Non Convertible	4,170,000	4,170	3,607
Prime Structured Mortgage Trust 1.86% 11-15-2024	Canada	Corporate - Non Convertible	3,000	3	3
Prologis Inc. 4.70% 03-01-2029	United States	Corporate - Non Convertible	3,190,000	3,184	3,198
Province of Ontario 3.60% 03-08-2028	Canada	Provincial Governments	97,190,000	96,344	96,189
Province of Ontario 3.40% 09-08-2028	Canada	Provincial Governments	113,002,000	108,956	110,870
Province of Quebec 2.75% 09-01-2028	Canada	Provincial Governments	119,239,000	112,102	113,894
Reliance LP 2.68% 12-01-2027	Canada	Corporate - Non Convertible	730,000	730	671
Reliance LP 2.67% 08-01-2028	Canada	Corporate - Non Convertible	1,050,000	1,050	947
Renesas Electronics Corp. 1.54% 11-26-2024	Japan	Corporate - Non Convertible	USD 4,080,000	5,142	5,367
Renesas Electronics Corp. 2.17% 11-25-2026	Japan	Corporate - Non Convertible	USD 3,950,000	4,978	4,891
RioCan Real Estate Investment Trust 5.61% 10-06-2027	Canada	Corporate - Non Convertible	3,064,000	3,009	3,104
Rogers Communications Inc. 3.65% 03-31-2027	Canada	Corporate - Non Convertible	6,954,000	7,532	6,739
Rogers Communications Inc. 5.70% 09-21-2028	Canada	Corporate - Non Convertible	7,740,000	7,776	8,041
Rogers Communications Inc. F/R 12-17-2081	Canada	Corporate - Non Convertible	10,708,000	10,091	10,286
Rogers Communications Inc. F/R 03-15-2082 144A	Canada	Corporate - Non Convertible	USD 870,000	1,104	1,130
Royal Bank of Canada 2.33% 01-28-2027	Canada	Corporate - Non Convertible	2,228,000	2,006	2,098
Royal Bank of Canada 4.61% 07-26-2027	Canada	Corporate - Non Convertible	9,814,000	9,752	9,835
Royal Bank of Canada 4.64% 01-17-2028	Canada	Corporate - Non Convertible	6,270,000	6,270	6,296
Royal Bank of Canada 4.63% 05-01-2028	Canada	Corporate - Non Convertible	13,190,000	12,975	13,245

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BONDS (cont'd)					
Royal Bank of Canada F/R 02-01-2033	Canada	Corporate - Non Convertible	28,967,000	28,390	29,048
Royal Bank of Canada F/R 04-03-2034	Canada	Corporate - Non Convertible	3,710,000	3,710	3,723
Royal Bank of Canada F/R 11-24-2080 Callable 2025	Canada	Corporate - Non Convertible	1,756,000	1,662	1,696
Saputo Inc. 2.24% 06-16-2027 Callable 2027	Canada	Corporate - Non Convertible	12,530,000	11,216	11,645
Sienna Senior Living Inc. 3.11% 11-04-2024	Canada	Corporate - Non Convertible	2,650,000	2,650	2,604
Sienna Senior Living Inc. 3.45% 02-27-2026 Callable 2026	Canada	Corporate - Non Convertible	2,840,000	2,840	2,731
Sienna Senior Living Inc. 2.82% 03-31-2027	Canada	Corporate - Non Convertible	360,000	360	334
Sino-Ocean Group Holding Ltd. 5.95% 02-04-2027	China	Corporate - Non Convertible	USD 300,000	93	30
Sino-Ocean Group Holding Ltd. 4.75% 08-05-2029	China	Corporate - Non Convertible	USD 2,300,000	1,119	243
Sino-Ocean Group Holding Ltd. 4.75% 01-14-2030	China	Corporate - Non Convertible	USD 900,000	289	96
Sprint Spectrum Co. LLC 4.74% 03-20-2025 144A	United States	Corporate - Non Convertible	USD 290,000	375	391
Stitch Acquisition Corp. Term Loan B 1st Lien F/R 07-27-2028	United States	Term Loans	USD 1,617,812	1,887	657
Sun Life Financial Inc. F/R 08-13-2029 Callable 2024	Canada	Corporate - Non Convertible	2,000	2	2
Sun Life Financial Inc. F/R 05-10-2032 Callable 2027	Canada	Corporate - Non Convertible	13,920,000	12,742	13,057
Sun Life Financial Inc. F/R 11-21-2033	Canada	Corporate - Non Convertible	6,660,000	6,075	6,129
Sunac China Holdings Ltd. 6.00% 09-30-2025	China	Corporate - Non Convertible	USD 182,549	67	30
Sunac China Holdings Ltd. 6.25% 09-30-2026	China	Corporate - Non Convertible	USD 182,549	60	26
Sunac China Holdings Ltd. 6.50% 09-30-2027	China	Corporate - Non Convertible	USD 365,098	103	46
Sunac China Holdings Ltd. 6.75% 09-30-2028	China	Corporate - Non Convertible	USD 547,647	137	62
Sunac China Holdings Ltd. 7.00% 09-30-2029	China	Corporate - Non Convertible	USD 547,647	122	56
Sunac China Holdings Ltd. 7.25% 09-30-2030	China	Corporate - Non Convertible	USD 257,251	46	22
Sunac China Holdings Ltd. 1.00% 09-30-2032	China	Corporate - Non Convertible	USD 225,655	53	20
Suncor Energy Inc. 5.40% 11-17-2026	Canada	Corporate - Non Convertible	4,210,000	4,204	4,275
Superior Plus LP 4.50% 03-15-2029 144A	Canada	Corporate - Non Convertible	USD 590,000	751	739
Suzano Austria GmbH 2.50% 09-15-2028	Brazil	Corporate - Non Convertible	USD 1,405,000	1,679	1,679
TELUS Corp. 3.63% 03-01-2028 Callable 2027	Canada	Corporate - Non Convertible	1,676,000	1,537	1,618
TELUS Corp. 4.80% 12-15-2028	Canada	Corporate - Non Convertible	8,733,000	8,724	8,792
Tencent Holdings Ltd. 1.81% 01-26-2026 Callable 2025	China	Corporate - Non Convertible	USD 4,750,000	6,537	6,064
Tencent Music Entertainment Group 1.38% 09-03-2025 Callable 2025	China	Corporate - Non Convertible	USD 500,000	657	639
Tenet Healthcare Corp. 4.38% 01-15-2030	United States	Corporate - Non Convertible	USD 270,000	339	339
TerraForm Power Operating LLC 4.75% 01-15-2030 Callable 2025 144A	United States	Corporate - Non Convertible	USD 380,000	505	473
T-Mobile US Inc. 3.75% 04-15-2027 Class B	United States	Corporate - Non Convertible	USD 8,851,000	11,596	11,547
T-Mobile US Inc. 4.95% 03-15-2028	United States	Corporate - Non Convertible	USD 609,000	817	824
T-Mobile US Inc. 4.85% 01-15-2029	United States	Corporate - Non Convertible	USD 550,000	736	740
TMX Group Ltd. 3.78% 06-05-2028 Callable 2028	Canada	Corporate - Non Convertible	540,000	544	527
Toronto Hydro Corp. 5.13% 10-12-2028	Canada	Corporate - Non Convertible	8,660,000	8,658	8,982
The Toronto-Dominion Bank 4.34% 01-27-2026	Canada	Corporate - Non Convertible	7,278,000	7,230	7,222
The Toronto-Dominion Bank 2.26% 01-07-2027	Canada	Corporate - Non Convertible	3,617,000	3,617	3,402
The Toronto-Dominion Bank 4.21% 06-01-2027	Canada	Corporate - Non Convertible	24,942,000	24,395	24,682
The Toronto-Dominion Bank 5.38% 10-21-2027	Canada	Corporate - Non Convertible	3,560,000	3,560	3,655
The Toronto-Dominion Bank 4.48% 01-18-2028	Canada	Corporate - Non Convertible	6,638,000	6,624	6,625
The Toronto-Dominion Bank 5.49% 09-08-2028	Canada	Corporate - Non Convertible	8,583,000	8,529	8,912
The Toronto-Dominion Bank F/R 01-26-2032 Callable 2027	Canada	Corporate - Non Convertible	1,474,000	1,391	1,401
Tourmaline Oil Corp. 2.08% 01-25-2028	Canada	Corporate - Non Convertible	439,000	439	400
Tourmaline Oil Corp. 2.53% 02-12-2029	Canada	Corporate - Non Convertible	520,000	520	471
Toyota Credit Canada Inc. 4.45% 01-26-2026	Canada	Corporate - Non Convertible	4,950,000	4,934	4,928
Toyota Credit Canada Inc. 5.29% 07-13-2026	Canada	Corporate - Non Convertible	5,500,000	5,499	5,577
Toyota Motor Corp. 1.34% 03-25-2026	Japan	Corporate - Non Convertible	USD 3,020,000	3,780	3,816
TransCanada PipeLines Ltd. 5.42% 03-10-2026	Canada	Corporate - Non Convertible	17,227,000	17,227	17,224
TransCanada PipeLines Ltd. 3.80% 04-05-2027 Callable 2027	Canada	Corporate - Non Convertible	22,078,000	21,324	21,547
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	14,470,000	14,686	13,578
Transcontinental Inc. 2.67% 02-03-2025	Canada	Corporate - Non Convertible	1,801,000	1,698	1,754
Transurban Finance Co. Pty. Ltd. 4.56% 11-14-2028 Callable 2028	Australia	Corporate - Non Convertible	3,710,000	3,772	3,641
Trulieve Cannabis Corp. 8.00% 10-06-2026	United States	Corporate - Non Convertible	USD 541,000	668	694
United States Treasury 0.50% 04-15-2024 Inflation Indexed	United States	Foreign Governments	USD 10,760,000	17,268	17,837
Ventas Canada Finance Ltd. 5.40% 04-21-2028	United States	Corporate - Non Convertible	740,000	740	752
Ventas Canada Finance Ltd. 5.10% 03-05-2029	United States	Corporate - Non Convertible	2,820,000	2,818	2,834
Verizon Communications Inc. F/R 03-20-2026	United States	Corporate - Non Convertible	USD 2,472,000	3,093	3,368
Verizon Communications Inc. 2.38% 03-22-2028	United States	Corporate - Non Convertible	160,000	141	147
Vmed O2 UK Financing I PLC 4.25% 01-31-2031	United Kingdom	Corporate - Non Convertible	USD 710,000	939	816
The Walt Disney Co. 3.06% 03-30-2027	United States	Corporate - Non Convertible	1,804,000	1,910	1,734

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

SCHEDULE OF INVESTMENTS (cont'd)

as at March 31, 2024

	Country	Sector	Par Value/ Number of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
BONDS (cont'd)					
Waste Management of Canada Corp. 2.60% 09-23-2026 Callable 2026	Canada	Corporate - Non Convertible	19,222,000	17,912	18,321
Wells Fargo & Co. 2.57% 05-01-2026 Callable 2025	United States	Corporate - Non Convertible	10,210,000	10,344	9,927
Wells Fargo & Co. 2.98% 05-19-2026	United States	Corporate - Non Convertible	8,653,000	9,232	8,323
WSP Global Inc. 2.41% 04-19-2028	Canada	Corporate - Non Convertible	1,230,000	1,230	1,129
Total bonds				1,715,135	1,701,232
EQUITIES					
Brookfield Asset Management Inc. Pfd. Series 46	Canada	Financials	39,839	1,013	821
Brookfield Renewable Partners LP Pfd. Series 13	Canada	Utilities	31,384	776	625
Emera Inc. Pfd. Series J	Canada	Utilities	4,072	102	83
Emera Inc. Pfd. Series L	Canada	Utilities	775	19	14
Frontera Generation Holdings LLC	United States	Energy	9,686	23	25
Fusion Connect Inc.	United States	Communication Services	5	–	–
iQor US Inc.	United States	Information Technology	5,950	100	14
TransAlta Corp. Perp. Pfd. Series C	Canada	Utilities	12,450	232	233
TransAlta Corp. Pfd. Series A	Canada	Utilities	34,947	432	472
Total equities				2,697	2,287
OPTIONS					
Options purchased (see schedule of options purchased)				108	8
Total options				108	8
EXCHANGE-TRADED FUNDS					
¹ Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged)	Canada	Exchange-Traded Funds	104,453	10,985	9,037
Total exchange-traded funds				10,985	9,037
Transaction costs				(18)	–
Total investments				3,364,704	3,276,818
Derivative instruments (see schedule of derivative instruments)					(845)
Cash and cash equivalents					60,603
Other assets less liabilities					14,533
Net assets attributable to securityholders					3,351,109

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, 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	% OF NAV
BY YEAR OF MATURITY	
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

MARCH 31, 2023

PORTFOLIO ALLOCATION	% OF NAV
Bonds	49.5
<i>Bonds</i>	49.6
<i>Short bond futures</i>	(0.1)
Mortgages	47.1
Exchange-traded funds	1.6
Cash and cash equivalents	1.0
Other assets (liabilities)	0.7
Equities	0.1

REGIONAL ALLOCATION	% OF NAV
Canada	88.7
United States	7.5
Cash and cash equivalents	1.0
Other assets (liabilities)	0.7
China	0.6
Japan	0.4
United Kingdom	0.3
Peru	0.2
Australia	0.1
Bahamas	0.1
Brazil	0.1
Chile	0.1
Luxembourg	0.1
Netherlands	0.1

SECTOR ALLOCATION	% OF NAV
Financials	47.1
Corporate bonds	34.4
Provincial bonds	7.8
Federal bonds	6.2
Exchange-traded funds	1.6
Cash and cash equivalents	1.0
Other assets (liabilities)	0.7
Term loans	0.5
Mortgage backed	0.4
Foreign government bonds	0.1
Other	0.1
Utilities	0.1

MORTGAGES	% OF NAV
BY YEAR OF MATURITY	
2023	2.2
2024	8.8
2025	11.4
2026	17.0
2027	6.8
2028	0.9

BY INTEREST RATE	% OF NAV
less than 2.5%	20.0
2.5 – 3.0%	13.6
3.0 – 3.5%	4.4
greater than 3.5%	9.1

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

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SCHEDULE OF OPTIONS PURCHASED

as at March 31, 2024

Underlying Interest	Number of Contracts	Option Type	Expiration Date	Strike Price \$	Premium Paid (\$ 000)	Fair Value (\$ 000)
Markit North American Investment Grade CDX Index	179,117,000	Put	Apr. 17, 2024	USD 57.50	108	8
Total options					108	8

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

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SCHEDULE 1 – DISTRIBUTION OF MORTGAGES BY INTEREST RATE

as at March 31, 2024

Rate	Number of loans	Principal value outstanding (\$ 000)	Amortized cost (\$ 000)	Fair Value (\$ 000)
1.251 to 1.500	5	1,428	1,417	1,317
1.501 to 1.750	245	51,454	51,147	47,562
1.751 to 2.000	1,834	272,720	272,768	254,148
2.001 to 2.250	796	170,717	170,556	158,802
2.251 to 2.500	1,127	203,525	203,646	190,455
2.501 to 2.750	896	174,891	174,736	167,020
2.751 to 3.000	1,669	258,263	258,133	248,015
3.001 to 3.250	362	85,307	84,774	81,522
3.251 to 3.500	143	29,027	28,835	28,059
3.501 to 3.750	47	11,187	11,004	10,712
3.751 to 4.000	48	13,351	13,034	12,751
4.001 to 4.250	21	5,803	5,609	5,578
4.251 to 4.500	15	4,774	4,679	4,630
4.501 to 4.750	38	16,033	15,587	15,691
4.751 to 5.000	63	22,333	22,003	22,021
5.001 to 5.250	145	34,520	34,335	34,175
5.251 to 5.500	128	32,481	32,483	32,418
5.501 to 5.750	135	29,089	29,186	29,302
5.751 to 6.000	111	26,717	26,949	26,979
6.001 to 6.250	295	75,258	75,481	74,664
6.251 to 6.500	291	60,876	61,164	60,467
6.501 to 6.750	152	34,105	34,326	34,077
6.751 to 7.000	64	14,933	15,047	15,005
7.001 to 7.250	40	6,832	6,909	6,902
7.251 to 7.500	9	1,105	1,109	1,105
7.501 to 7.750	3	782	786	784
7.751 to 8.000	1	93	94	93
	8,683	1,637,604	1,635,797	1,564,254

The rates used for determining fair value of NHA and conventional loans as at March 31, 2024 were as follows:

Term	Residential rate	Commercial rate
6 month (open)	9.85%	N/A
6 month (closed)	7.87%	N/A
0 – 12 months (open)	9.75%	N/A
0 – 12 months (closed)	6.92%	3.49%
13 – 24 months	6.22%	3.67%
25 – 36 months	5.62%	3.84%
37 – 48 months	5.52%	4.57%
49 – 60 months	5.27%	5.29%
61 – 84 months	5.74%	N/A
85 – 120 months	6.05%	N/A

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

SCHEDULE 2 – DISTRIBUTION OF MORTGAGES BY GEOGRAPHIC LOCATION

as at March 31, 2024

	Number of loans	Principal value outstanding (\$ 000)	Fair value (\$ 000)	Percentage total fair value (%)
British Columbia	696	160,754	153,490	9.8
Alberta	869	178,533	169,972	10.9
Saskatchewan	478	83,164	79,313	5.1
Manitoba	559	90,353	85,774	5.5
Ontario	2,793	618,194	590,125	37.7
Quebec	2,603	409,093	392,340	25.1
New Brunswick	232	28,441	27,144	1.7
Nova Scotia	229	31,995	30,571	1.9
Newfoundland and Labrador	144	22,749	21,808	1.4
Prince Edward Island	64	9,389	9,007	0.6
Yukon / Territories	16	4,939	4,710	0.3
	8,683	1,637,604	1,564,254	100.0

SCHEDULE 3 – DISTRIBUTION OF MORTGAGES BY TYPE OF CONSTRUCTION

as at March 31, 2024

	Number of loans	Principal value outstanding (\$ 000)	Amortized cost (\$ 000)	Fair Value (\$ 000)	Percentage total fair value (%)
Single Family Dwelling	7,605	1,445,253	1,443,570	1,380,058	88.2
Condominiums	1,074	191,671	191,545	183,567	11.7
Multi-unit Dwelling up to 8 units	4	680	682	629	0.1
	8,683	1,637,604	1,635,797	1,564,254	100.0

SCHEDULE 4 – DISTRIBUTION OF MORTGAGES BY YEAR OF MATURITY

as at March 31, 2024

	Number of loans	Principal value outstanding (\$ 000)	Fair Value (\$ 000)	Percentage total fair value (%)
2024	1,578	233,459	228,879	14.6
2025	2,510	400,895	381,983	24.4
2026	3,117	622,258	584,539	37.4
2027	1,011	260,657	248,379	15.9
2028	379	101,890	101,776	6.5
2029	87	18,365	18,616	1.2
2030	1	80	82	–
	8,683	1,637,604	1,564,254	100.0

SCHEDULE 5 – DISTRIBUTION OF MORTGAGES BY TYPE OF INSURANCE

as at March 31, 2024

	Number of loans	Principal value outstanding (\$ 000)	Fair Value (\$ 000)	Percentage total fair value (%)
Housing Act (Canada)	1,566	154,510	147,198	9.4
Insured by a Private Insurer	1,282	193,111	184,722	11.8
Uninsured – Conventional	5,835	1,289,983	1,232,334	78.8
	8,683	1,637,604	1,564,254	100.0

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

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SCHEDULE OF DERIVATIVE INSTRUMENTS

as at March 31, 2024

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 10 Year Bond Future	414	Jun. 19, 2024	120.18 CAD	49,821	67	–
MSE Canadian 5 Year Bond Future	399	Jun. 19, 2024	111.41 CAD	44,477	24	–
Total futures contracts				94,298	91	–

* Notional value represents the exposure to the underlying instruments as at March 31, 2024

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	1,500 USD	(1,997) CAD	Apr. 12, 2024	1,997	2,032	35	–
A	3,874 CAD	(2,910) USD	Apr. 12, 2024	(3,874)	(3,941)	–	(67)
A	3,204 CAD	(2,370) USD	Apr. 12, 2024	(3,204)	(3,209)	–	(5)
A	1,260 USD	(1,710) CAD	Apr. 12, 2024	1,710	1,707	–	(3)
A	6,799 CAD	(5,060) USD	Apr. 19, 2024	(6,799)	(6,852)	–	(53)
A	1,274 CAD	(867) EUR	Apr. 26, 2024	(1,274)	(1,269)	5	–
A	1,264 CAD	(860) EUR	Apr. 26, 2024	(1,264)	(1,258)	6	–
A	5 CAD	(4) EUR	Apr. 26, 2024	(5)	(5)	–	–
A	59 CAD	(40) EUR	Apr. 26, 2024	(59)	(59)	–	–
A	2,916 CAD	(2,160) USD	Apr. 26, 2024	(2,916)	(2,925)	–	(9)
A	95,721 CAD	(71,076) USD	Apr. 26, 2024	(95,721)	(96,251)	–	(530)
A	451 CAD	(335) USD	Apr. 26, 2024	(451)	(453)	–	(2)
A	32,482 CAD	(24,190) USD	May 3, 2024	(32,482)	(32,754)	–	(272)
A	3,912 CAD	(2,910) USD	May 10, 2024	(3,912)	(3,940)	–	(28)
A	9,306 CAD	(6,882) USD	May 10, 2024	(9,306)	(9,317)	–	(11)
A	802 CAD	(594) USD	May 17, 2024	(802)	(804)	–	(2)
Total forward currency contracts						46	(982)

Total Derivative assets

137

Total Derivative liabilities

(982)

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

(a) Organization of the Fund

The Fund is organized as an open-ended mutual fund trust established under the laws of Manitoba and governed by a Declaration of Trust. 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 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, 2024 and 2023, as applicable. 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.

(b) General information

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 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 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 Manager on June 6, 2024.

3. Material Accounting Policies

The Fund adopted Disclosure of Accounting Policies Amendments to IAS 1 and IFRS Practice Statements 2 from April 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies. The Manager reviewed the accounting policies and made updates to the information disclosed in certain instances in line with the amendments.

(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 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 are reported at fair value which closely approximates their amortized cost due to their nature of being highly liquid and having short terms to maturity. Bank overdraft positions are presented under current liabilities as bank indebtedness in the Statement of Financial Position.

The 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, 2024.

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.

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME 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, dividend income, realized gains (losses) on sale of investments 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) 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.

(e) 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.

(f) 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.

(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) 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.

(i) 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.

(j) 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.

(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.

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

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NOTES TO FINANCIAL STATEMENTS

3. Material Accounting Policies (cont'd)

(l) Future accounting changes

The Fund has determined there are no material implications to the Fund's financial statements arising from IFRS issued but not yet effective.

4. Critical Accounting Estimates and Judgments

The preparation of these financial statements requires management to make estimates and assumptions that primarily affect the valuation of investments. Estimates and assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates.

The following discusses the most significant accounting judgments and estimates made in preparing the financial statements:

Use of Estimates

Fair value of securities not quoted in an active market

The 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 unlisted open-ended investment fund or an exchange-traded fund in which the Fund invests ("Underlying Funds"), 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.
- (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.

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

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NOTES TO FINANCIAL STATEMENTS

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

- (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 Financial Corporation, 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, 2024 and 2023 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, 2024, 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.

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.

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

NOTES TO FINANCIAL STATEMENTS

8. Financial Instruments Risk (cont'd)

(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, 2024 and 2023 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 the Underlying 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.

(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.

IG MACKENZIE MORTGAGE AND SHORT TERM INCOME FUND

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NOTES TO FINANCIAL STATEMENTS

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
AUD	Australian dollars	HUF	Hungarian forint	PEN	Peruvian nuevo sol
BRL	Brazilian real	IDR	Indonesian rupiah	PHP	Philippine peso
CAD	Canadian dollars	ILS	Israeli sheqel	PLN	Polish zloty
CHF	Swiss franc	INR	Indian rupee	RON	Romanian leu
CZK	Czech koruna	JPY	Japanese yen	RUB	Russian ruble
CLP	Chilean peso	KOR	South Korean won	SEK	Swedish krona
CNY	Chinese yuan	MXN	Mexican peso	SGD	Singapore dollars
COP	Colombian peso	MYR	Malaysian ringgit	THB	Thailand baht
DKK	Danish krone	NGN	Nigerian naira	TRL	Turkish lira
EUR	Euro	NOK	Norwegian krona	USD	United States dollars
GBP	United Kingdom pounds	NTD	New Taiwan dollar	ZAR	South African rand
HKD	Hong Kong dollars	NZD	New Zealand dollars	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)) (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. The Fund intends to invest from 0% to 30% of its assets in foreign securities, but may invest up to 50%.

ii. Currency risk

As at March 31, 2024 and 2023, 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, 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

March 31, 2023	Bonds (\$)	Mortgages (\$)	Derivative Instruments (\$)	Impact on net assets			
				Increase by 1%		Decrease by 1%	
				(\$)	(%)	(\$)	(%)
Less than 1 year	127,622	141,566	(180,795)				
1-3 years	673,619	859,925	–				
3-5 years	528,279	728,738	–				
Greater than 5 years	362,575	954	–				
Total	1,692,095	1,731,183	(180,795)				
Total sensitivity to interest rate changes				(910)	–	404	–

iv. Other price risk

As at March 31, 2024 and 2023, 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, 2024, was 6.2% of the net assets of the Fund (2023 – 5.3%).

As at March 31, 2024 and 2023, debt securities by credit rating are as follows:

Bond Rating*	March 31, 2024	March 31, 2023
	% of Net Assets	% of Net Assets
AAA	4.2	7.0
AA	4.1	3.4
A	18.9	18.0
BBB	14.3	10.2
Less than BBB	1.9	3.1
Unrated	7.4	7.9
Total	50.8	49.6

* 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, 2024				March 31, 2023			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mortgages	–	1,564,254	–	1,564,254	–	1,731,183	–	1,731,183
Bonds	–	1,700,967	265	1,701,232	–	1,692,095	–	1,692,095
Equities	2,248	–	39	2,287	4,800	–	85	4,885
Options	–	8	–	8	–	–	–	–
Exchange Traded Funds	9,037	–	–	9,037	58,112	–	–	58,112
Derivative assets	91	46	–	137	116	2,477	–	2,593
Derivative liabilities	–	(982)	–	(982)	(2,213)	(3,236)	–	(5,449)
Short-term investments	–	39,977	–	39,977	–	131,314	–	131,314
Total	11,376	3,304,270	304	3,315,950	60,815	3,553,833	85	3,614,733

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, 2024, investments with a fair value of \$271 (2023 – \$Nil) 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, 2024 and 2023:

	March 31, 2024			March 31, 2023		
	Equities (\$)	Bonds (\$)	Total (\$)	Equities (\$)	Bonds (\$)	Total (\$)
Balance – beginning of period	85	–	85	–	114	114
Purchases	–	–	–	–	–	–
Sales	–	–	–	–	–	–
Transfers in	–	271	271	–	–	–
Transfers out	–	–	–	–	–	–
Gains (losses) during the period:						
Realized	–	–	–	–	–	–
Unrealized	(46)	(6)	(52)	–	(29)	(29)
Balance – end of period	39	265	304	–	85	85
Unrealized gains (losses) during the period attributable to securities held at end of period	(46)	(6)	(52)	–	(29)	(29)

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, 2024	March 31, 2023
	(\$)	(\$)
The Manager	–	–
Other funds managed by the Manager	2,978,346	3,268,015

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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, 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

	March 31, 2023			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	1,707	(1,350)	–	357
Unrealized losses on derivative contracts	(4,299)	1,350	6,379	3,430
Liability for options written	–	–	–	–
Total	(2,592)	–	6,379	3,787

(i) Interest in Unconsolidated Structured Entities

The Fund's investment details in the Underlying Funds as at March 31, 2024 and 2023 are as follows:

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

March 31, 2023	% of Underlying Fund's Net Assets	Fair Value of Fund's Investment (\$)
Mackenzie Canadian Short-Term Bond Index ETF	17.9	39,123
Mackenzie Emerging Markets Local Currency Bond Index ETF	2.3	9,851
Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged)	1.8	9,138

(j) Transactions with the manager

During the period, the Fund acquired mortgages from the Manager valued at \$163,168 at time of purchase (2023 – \$233,775). 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 \$64 (2023 – \$141) 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.