

# IG MACKENZIE GLOBAL FUND II

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 Global Fund II (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 Global Fund II (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.

# IG MACKENZIE GLOBAL FUND II

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

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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 GLOBAL FUND II

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

## STATEMENTS OF FINANCIAL POSITION

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

	2024	2023
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Investments at fair value	112,759	111,704
Cash and cash equivalents	–	889
Dividends receivable	154	131
Accounts receivable for investments sold	1,922	300
Accounts receivable for securities issued	–	–
<b>Total assets</b>	<b>114,835</b>	<b>113,024</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Bank indebtedness	3	–
Accounts payable for investments purchased	1,136	81
Accounts payable for securities redeemed	248	–
Due to manager	14	5
<b>Total liabilities</b>	<b>1,401</b>	<b>86</b>
<b>Net assets attributable to securityholders</b>	<b>113,434</b>	<b>112,938</b>

## STATEMENTS OF COMPREHENSIVE INCOME

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

	2024	2023
	\$	\$
<b>Income</b>		
Dividends	2,309	2,441
Interest income for distribution purposes	84	40
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	8,866	(332)
Net unrealized gain (loss)	11,175	(657)
Securities lending income	8	8
<b>Total income (loss)</b>	<b>22,442</b>	<b>1,500</b>
<b>Expenses (note 6)</b>		
Management fees	1,373	1,518
Management fee rebates	(2)	(2)
Service fees	127	157
Service fee rebates	(55)	(68)
Administration fees	218	229
Interest charges	2	–
Trustee fees	61	64
Commissions and other portfolio transaction costs	45	59
Independent Review Committee fees	–	–
Other	2	1
<b>Expenses before amounts absorbed by Manager</b>	<b>1,771</b>	<b>1,958</b>
Expenses absorbed by Manager	–	–
<b>Net expenses</b>	<b>1,771</b>	<b>1,958</b>
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>20,671</b>	<b>(458)</b>
Foreign withholding tax expense (recovery)	298	264
Foreign income tax expense (recovery)	–	(21)
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>20,373</b>	<b>(701)</b>

	Net assets attributable to securityholders (note 3)			
	per security		per series	
	2024	2023	2024	2023
Series A	28.29	23.78	8,933	11,117
Series B	27.77	23.35	5,247	6,158
Series C	27.20	22.91	12,234	13,297
Series F	24.37	20.24	80,420	75,197
Series J DSC	27.88	23.36	5,064	5,334
Series J NL	27.68	23.21	1,536	1,835
			<b>113,434</b>	<b>112,938</b>

	Increase (decrease) in net assets attributable to securityholders from operations (note 3)			
	per security		per series	
	2024	2023	2024	2023
Series A	4.20	(0.62)	1,634	(354)
Series B	4.18	(0.61)	934	(196)
Series C	4.19	(0.50)	2,129	(341)
Series F	4.12	0.09	14,512	369
Series J DSC	4.28	(0.59)	879	(151)
Series J NL	4.28	(0.36)	285	(28)
			<b>20,373</b>	<b>(701)</b>

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

# IG MACKENZIE GLOBAL FUND II

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
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	<b>112,938</b>	<b>131,599</b>	<b>11,117</b>	<b>16,009</b>	<b>6,158</b>	<b>8,913</b>	<b>13,297</b>	<b>18,208</b>	<b>75,197</b>	<b>79,410</b>
Increase (decrease) in net assets from operations	20,373	(701)	1,634	(354)	934	(196)	2,129	(341)	14,512	369
Distributions paid to securityholders:										
Investment income	(255)	(193)	–	–	–	–	–	–	(255)	(193)
Capital gains	–	–	–	–	–	–	–	–	–	–
Management fee rebates	(2)	(2)	–	–	–	–	–	–	–	–
Service fee rebates	(55)	(68)	–	–	–	–	(55)	(68)	–	–
Total distributions paid to securityholders	(312)	(263)	–	–	–	–	(55)	(68)	(255)	(193)
Security transactions:										
Proceeds from securities issued	8,058	11,332	5	5	268	476	18	25	6,424	8,940
Reinvested distributions	297	191	–	–	–	–	40	49	255	140
Payments on redemption of securities	(27,920)	(29,220)	(3,823)	(4,543)	(2,113)	(3,035)	(3,195)	(4,576)	(15,713)	(13,469)
Total security transactions	(19,565)	(17,697)	(3,818)	(4,538)	(1,845)	(2,559)	(3,137)	(4,502)	(9,034)	(4,389)
Increase (decrease) in net assets attributable to securityholders	496	(18,661)	(2,184)	(4,892)	(911)	(2,755)	(1,063)	(4,911)	5,223	(4,213)
<b>End of period</b>	<b>113,434</b>	<b>112,938</b>	<b>8,933</b>	<b>11,117</b>	<b>5,247</b>	<b>6,158</b>	<b>12,234</b>	<b>13,297</b>	<b>80,420</b>	<b>75,197</b>
<b>Increase (decrease) in fund securities (in thousands) (note 7):</b>										
<b>Securities outstanding – beginning of period</b>			<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>
Securities outstanding – beginning of period			468	668	264	379	580	787	3,715	3,945
Issued			–	–	11	22	1	1	300	470
Reinvested distributions			–	–	–	–	2	2	12	7
Redeemed			(152)	(200)	(86)	(137)	(133)	(210)	(727)	(707)
<b>Securities outstanding – end of period</b>			<b>316</b>	<b>468</b>	<b>189</b>	<b>264</b>	<b>450</b>	<b>580</b>	<b>3,300</b>	<b>3,715</b>

  

	Series J DSC		Series J NL	
	2024	2023	2024	2023
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>				
<b>Beginning of period</b>	<b>5,334</b>	<b>7,115</b>	<b>1,835</b>	<b>1,944</b>
Increase (decrease) in net assets from operations	879	(151)	285	(28)
Distributions paid to securityholders:				
Income	–	–	–	–
Capital gains	–	–	–	–
Management fee rebates	(1)	(1)	(1)	(1)
Service fee rebates	–	–	–	–
Total distributions paid to securityholders	(1)	(1)	(1)	(1)
Security transactions:				
Proceeds from securities issued	913	1,366	430	520
Reinvested distributions	1	1	1	1
Payments on redemption of securities	(2,062)	(2,996)	(1,014)	(601)
Total security transactions	(1,148)	(1,629)	(583)	(80)
Increase (decrease) in net assets attributable to securityholders	(270)	(1,781)	(299)	(109)
<b>End of period</b>	<b>5,064</b>	<b>5,334</b>	<b>1,536</b>	<b>1,835</b>
<b>Increase (decrease) in fund securities (in thousands) (note 7):</b>				
<b>Securities outstanding – beginning of period</b>			<b>Securities</b>	<b>Securities</b>
Securities outstanding – beginning of period			228	303
Issued			38	59
Reinvested distributions			–	–
Redeemed			(84)	(134)
<b>Securities outstanding – end of period</b>			<b>182</b>	<b>228</b>

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

# IG MACKENZIE GLOBAL FUND II

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

## STATEMENTS OF CASH FLOWS

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

	2024	2023
	\$	\$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to securityholders from operations	20,373	(701)
Adjustments for:		
Net realized loss (gain) on investments	(8,907)	243
Change in net unrealized loss (gain) on investments	(11,175)	657
Purchase of investments	(18,785)	(21,898)
Proceeds from sale and maturity of investments	37,235	40,288
(Increase) decrease in accounts receivable and other assets	(23)	14
Increase (decrease) in accounts payable and other liabilities	9	(57)
<b>Net cash provided by (used in) operating activities</b>	<b>18,727</b>	<b>18,546</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	1,831	1,850
Payments on redemption of securities	(21,445)	(19,738)
Distributions paid net of reinvestments	(15)	(72)
<b>Net cash provided by (used in) financing activities</b>	<b>(19,629)</b>	<b>(17,960)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(902)</b>	<b>586</b>
Cash and cash equivalents at beginning of period	889	314
Effect of exchange rate fluctuations on cash and cash equivalents	10	(11)
<b>Cash and cash equivalents at end of period</b>	<b>(3)</b>	<b>889</b>
Cash	–	889
Cash equivalents	–	–
Bank indebtedness	(3)	–
<b>Cash and cash equivalents at end of period</b>	<b>(3)</b>	<b>889</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	2,286	2,455
Foreign taxes paid	298	243
Interest received	84	40
Interest paid	2	–

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

# IG MACKENZIE GLOBAL FUND II

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

## SCHEDULE OF INVESTMENTS

as at March 31, 2024

	Country	Sector	Par Value/ Number of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES</b>					
AbbVie Inc.	United States	Health Care	8,788	1,246	2,167
Air Liquide SA	France	Materials	5,247	886	1,478
Alphabet Inc. Class A	United States	Communication Services	13,351	1,273	2,729
Altria Group Inc.	United States	Consumer Staples	15,089	806	891
Amadeus IT Group SA	Spain	Consumer Discretionary	9,145	691	794
Amazon.com Inc.	United States	Consumer Discretionary	13,309	2,254	3,251
American Tower Corp. Class A	United States	Real Estate	3,770	1,148	1,009
Aon PLC	Ireland	Financials	4,084	1,113	1,846
Apple Inc.	United States	Information Technology	10,640	1,250	2,471
AstraZeneca PLC	United Kingdom	Health Care	10,800	1,951	1,971
Atlas Copco AB A	Sweden	Industrials	41,464	558	949
AutoZone Inc.	United States	Consumer Discretionary	232	843	990
Becton, Dickinson and Co.	United States	Health Care	4,092	1,347	1,371
Broadcom Inc.	United States	Information Technology	1,851	739	3,322
Chevron Corp.	United States	Energy	10,565	1,425	2,257
CME Group Inc.	United States	Financials	6,760	1,640	1,971
Colgate Palmolive Co.	United States	Consumer Staples	11,020	1,143	1,344
Compass Group PLC	United Kingdom	Consumer Discretionary	5,959	224	237
CRH PLC	Ireland	Materials	11,930	890	1,394
DBS Group Holdings Ltd.	Singapore	Financials	33,400	1,031	1,207
Deutsche Boerse AG	Germany	Financials	8,940	2,048	2,477
Diageo PLC	United Kingdom	Consumer Staples	14,391	721	720
Equifax Inc.	United States	Industrials	2,295	500	831
Eurofins Scientific	France	Health Care	4,344	393	375
Evolution Gaming Group AB	Sweden	Consumer Discretionary	957	170	161
Ferguson PLC (USD)	United States	Industrials	3,829	918	1,133
Glencore PLC	Australia	Materials	112,140	955	834
HDFC Bank Ltd. ADR	India	Financials	12,771	983	968
Heineken Holding NV A	Netherlands	Consumer Staples	8,285	943	905
Honeywell International Inc.	United States	Industrials	5,197	683	1,445
Hoya Corp.	Japan	Health Care	4,100	550	687
ITOCHU Corp.	Japan	Industrials	16,300	856	943
Japan Exchange Group Inc.	Japan	Financials	40,544	1,206	1,491
Johnson & Johnson	United States	Health Care	8,486	1,722	1,818
JPMorgan Chase & Co.	United States	Financials	12,170	1,210	3,301
Keyence Corp.	Japan	Information Technology	1,815	354	1,129
Lam Research Corp.	United States	Information Technology	1,333	1,004	1,754
Linde PLC (New York Stock Exchange)	Ireland	Materials	2,232	621	1,404
London Stock Exchange Group PLC	United Kingdom	Financials	1,101	169	179
L'Oreal SA	France	Consumer Staples	820	448	526
LVMH Moët Hennessy Louis Vuitton SE	France	Consumer Discretionary	939	547	1,144
McDonald's Corp.	United States	Consumer Discretionary	3,512	915	1,341
McKesson Corp.	United States	Health Care	1,497	794	1,088
Meta Platforms Inc. Class A	United States	Communication Services	3,709	1,677	2,439
Microsoft Corp.	United States	Information Technology	11,075	2,740	6,311
Moody's Corp.	United States	Financials	1,275	175	679
Motorola Solutions Inc.	United States	Information Technology	4,637	1,032	2,229
Nestlé SA Reg.	Switzerland	Consumer Staples	8,361	1,231	1,202
Nike Inc. Class B	United States	Consumer Discretionary	3,643	508	464
Northrop Grumman Corp.	United States	Industrials	1,594	1,083	1,033
Novo Nordisk AS B	Denmark	Health Care	14,079	643	2,430
NVIDIA Corp.	United States	Information Technology	2,142	1,354	2,621
Oracle Corp.	United States	Information Technology	4,835	750	822
<sup>1</sup> Pernod Ricard SA	France	Consumer Staples	2,486	549	545
Philip Morris International Inc.	United States	Consumer Staples	17,946	1,857	2,227
Roche Holding AG Genussscheine	Switzerland	Health Care	3,438	1,073	1,186
S&P Global Inc.	United States	Financials	3,024	1,285	1,742
Safran SA	France	Industrials	7,618	1,040	2,338
SAP AG	Germany	Information Technology	11,187	1,907	2,949
Schlumberger Ltd.	United States	Energy	15,068	504	1,118
Shell PLC (GBP Shares)	Netherlands	Energy	37,221	1,377	1,670
The Sherwin-Williams Co.	United States	Materials	1,781	477	838
Siemens AG	Germany	Industrials	3,371	769	872

# IG MACKENZIE GLOBAL FUND II

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)
<b>EQUITIES (cont'd)</b>					
Sika AG	Switzerland	Materials	1,470	351	593
Sony Corp.	Japan	Consumer Discretionary	13,423	1,227	1,559
Starbucks Corp.	United States	Consumer Discretionary	6,235	686	772
Taiwan Semiconductor Manufacturing Co. Ltd.	Taiwan	Information Technology	68,429	926	2,256
Texas Instruments Inc.	United States	Information Technology	2,826	461	667
Thermo Fisher Scientific Inc.	United States	Health Care	1,073	773	845
Union Pacific Corp.	United States	Industrials	3,846	1,070	1,281
UnitedHealth Group Inc.	United States	Health Care	2,224	1,570	1,490
Visa Inc. Class A	United States	Financials	5,935	1,580	2,243
Wal-Mart Stores Inc.	United States	Consumer Staples	16,527	1,100	1,347
The Williams Companies Inc.	United States	Energy	24,293	1,024	1,282
Wolters Kluwer NV	Netherlands	Industrials	5,994	634	1,272
<b>Total equities</b>				<b>74,601</b>	<b>111,625</b>
<b>EXCHANGE-TRADED FUNDS</b>					
iShares MSCI EAFE ETF	Multinational	Exchange-Traded Funds	4,200	456	454
SPDR S&P 500 ETF Trust	United States	Exchange-Traded Funds	960	682	680
<b>Total exchange-traded funds</b>				<b>1,138</b>	<b>1,134</b>
Transaction costs				(88)	–
<b>Total investments</b>				<b>75,651</b>	<b>112,759</b>
Bank indebtedness					(3)
Other assets less liabilities					678
<b>Net assets attributable to securityholders</b>					<b>113,434</b>

<sup>1</sup> The issuer of this security is related to the Manager of the Fund.

# IG MACKENZIE GLOBAL FUND II

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## SUMMARY OF INVESTMENT PORTFOLIO

MARCH 31, 2024

PORTFOLIO ALLOCATION	% OF NAV
Equities	98.4
Exchange-traded funds	1.0
Other assets (liabilities)	0.6

REGIONAL ALLOCATION	% OF NAV
United States	61.4
France	5.6
Germany	5.6
Japan	5.1
Ireland	4.1
Netherlands	3.4
United Kingdom	2.7
Switzerland	2.6
Denmark	2.1
Taiwan	2.0
Other	1.1
Singapore	1.1
Sweden	1.0
India	0.9
Australia	0.7
Other assets (liabilities)	0.6

SECTOR ALLOCATION	% OF NAV
Information technology	23.4
Financials	16.0
Health care	13.6
Industrials	10.7
Consumer discretionary	9.4
Consumer staples	8.5
Materials	5.8
Energy	5.6
Communication services	4.5
Exchange-traded funds	1.0
Real estate	0.9
Other assets (liabilities)	0.6

MARCH 31, 2023

PORTFOLIO ALLOCATION	% OF NAV
Equities	98.0
Exchange-traded funds	0.9
Cash and cash equivalents	0.8
Other assets (liabilities)	0.3

REGIONAL ALLOCATION	% OF NAV
United States	58.9
France	6.4
Switzerland	5.5
Japan	4.8
Netherlands	4.3
Germany	4.1
Ireland	3.0
United Kingdom	2.7
Denmark	2.0
Taiwan	1.9
Spain	1.3
Singapore	1.1
Other	1.1
Hong Kong	1.0
India	0.9
Cash and cash equivalents	0.8
Other assets (liabilities)	0.3

SECTOR ALLOCATION	% OF NAV
Information technology	18.5
Financials	16.1
Health care	15.3
Consumer staples	12.9
Consumer discretionary	9.5
Industrials	8.8
Materials	6.7
Energy	6.5
Communication services	2.6
Real estate	1.1
Exchange-traded funds	0.9
Cash and cash equivalents	0.8
Other assets (liabilities)	0.3



# IG MACKENZIE GLOBAL FUND II

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

## 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 F, 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 a 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. I.G. Investment Management, Ltd. and/or Mackenzie Investments Europe Limited acts as Portfolio Advisor(s) to the Fund. In some cases, Mackenzie Financial Corporation and/or Mackenzie Investments Asia Limited has been engaged as sub-advisor to provide investment services to the Fund. The Fund is distributed by Investors Group Financial Services Inc. and Investors Group Securities Inc. (collectively, the "Distributors"). 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 is determined on a weighted average cost basis.

Realized and unrealized gains and losses on investments are calculated based on the weighted average cost of investments and exclude commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income – Commissions and other portfolio transaction costs.

Gains and losses arising from changes in the fair value of the investments are included in the Statement of Comprehensive Income for the period in which they arise.

The 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 GLOBAL FUND II

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

## 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.

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 GLOBAL FUND II

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

## 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 GLOBAL FUND II

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

## 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 GLOBAL FUND II

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

## 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) 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.
- (g) 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.
- (h) Other expenses are comprised of interest and borrowing charges and other miscellaneous expenses.
- (i) 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.
- (j) 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.
- (k) 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 GLOBAL FUND II

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 the 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.

#### (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 GLOBAL FUND II

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

## 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](http://www.ig.ca) or SEDAR+ at [www.sedarplus.ca](http://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](http://www.ig.ca) or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

# IG MACKENZIE GLOBAL FUND II

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

## NOTES TO FINANCIAL STATEMENTS

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

#### (a) Fund Formation and Series Information

Date of Formation: February 20, 1996

Series	Inception/ Reinstatement Date	Management fee (%)	Service fee (%)	Administration fee (%)	Trustee fee (%)
Series A	July 28, 2003	1.90	0.30	0.18	0.05
Series B	July 28, 2003	1.90	0.30	0.18	0.05
Series C	March 14, 1996	1.95	up to 0.50	0.18	0.05
Series F	July 12, 2013	0.80	–	0.18	0.05
Series J DSC	July 13, 2012	1.65	0.30	0.18	0.05
Series J NL	July 13, 2012	1.65	0.30	0.18	0.05

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

Clients in Series C are entitled to a full or partial rebate of the service fee based on their asset levels held in the Fund and in other IG Wealth Management Funds as outlined in the Fund's Prospectus.

Effective May 3, 2024, Series A was redesignated as Series B; and effective May 10, 2024, Series J DSC was redesignated as Series J NL

The Fund is only available for the reinvestment of distributions and investments through preauthorized investment plans by current securityholders.

The Manager engaged Mackenzie Financial Corporation as sub-advisor to assist in investment management and trade execution for the Fund. This sub-advisor is a subsidiary of IGM Financial Inc. and, therefore, is considered an affiliate of the Trustee, the Manager and the Distributors.

#### (b) Tax Loss Carryforwards

Total Capital Loss \$	Total Non-Capital Loss \$	Expiration Date of Non-Capital Losses													
		2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
176,398	7	–	–	–	7	–	–	–	–	–	–	–	–	–	–

#### (c) Securities Lending

	March 31, 2024		March 31, 2023	
	(\$)		(\$)	
Value of securities loaned	2,566		1,384	
Value of collateral received	2,727		1,526	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(\$)	(%)	(\$)	(%)
Gross securities lending income	12	100.0	10	100.0
Tax withheld	(2)	(16.7)	–	–
	10	83.3	10	100.0
Payments to securities lending agent	(2)	(16.7)	(2)	(20.0)
Securities lending income	8	66.6	8	80.0

#### (d) Commissions

	(\$)
March 31, 2024	5
March 31, 2023	11

#### (e) Risks Associated with Financial Instruments

##### i. Risk exposure and management

The Fund aims to provide long-term capital growth by investing primarily in foreign equity markets. The Fund uses a disciplined quantitative model to assist in determining which countries to invest in and the amount to allocate to each country.



# IG MACKENZIE GLOBAL FUND II

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

## NOTES TO FINANCIAL STATEMENTS

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

#### (e) Risks Associated with Financial Instruments (cont'd)

##### ii. Currency risk

The tables below summarize the Fund's exposure to currency risk.

Currency	March 31, 2024				Impact on net assets			
	Investments	Cash and Cash	Derivative	Net Exposure	Strengthened by 5%		Weakened by 5%	
	(\$)	Equivalents (\$)	Instruments (\$)	(\$)	(\$)	%	(\$)	%
USD	75,680	(1)	–	75,679				
EUR	15,675	(55)	–	15,620				
JPY	5,809	–	–	5,809				
GBP	5,611	(1)	–	5,610				
CHF	2,981	–	–	2,981				
DKK	2,430	13	–	2,443				
NTD	2,256	33	–	2,289				
SGD	1,207	–	–	1,207				
SEK	1,110	–	–	1,110				
Total	112,759	(11)	–	112,748				
% of Net Assets	99.4	–	–	99.4				
Total currency rate sensitivity					(5,637)	(5.0)	5,637	5.0

Currency	March 31, 2023				Impact on net assets			
	Investments	Cash and Cash	Derivative	Net Exposure	Strengthened by 5%		Weakened by 5%	
	(\$)	Equivalents (\$)	Instruments (\$)	(\$)	(\$)	%	(\$)	%
USD	71,180	773	–	71,953				
EUR	16,922	10	–	16,932				
JPY	5,367	7	–	5,374				
CHF	5,257	46	–	5,303				
GBP	5,227	39	–	5,266				
DKK	2,285	12	–	2,297				
NTD	2,185	–	–	2,185				
SGD	1,277	–	–	1,277				
HKD	1,138	–	–	1,138				
SEK	866	–	–	866				
Total	111,704	887	–	112,591				
% of Net Assets	98.9	0.8	–	99.7				
Total currency rate sensitivity					(5,630)	(5.0)	5,630	5.0

##### iii. Interest rate risk

As at March 31, 2024 and 2023, the Fund did not have a significant exposure to interest rate risk.

##### iv. Other price risk

The table below summarizes the Fund's exposure to other price risk.

Impact on net assets	Increased by 10%		Decreased by 10%	
	(\$)	(%)	(\$)	(%)
March 31, 2024	11,276	9.9	(11,276)	(9.9)
March 31, 2023	11,170	9.9	(11,170)	(9.9)

##### v. Credit risk

As at March 31, 2024 and 2023, the Fund did not have a significant exposure to credit risk.

# IG MACKENZIE GLOBAL FUND II

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2024

## 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 (\$)
Equities	111,625	–	–	111,625	70,196	40,524	–	110,720
Exchange-traded funds/notes	1,134	–	–	1,134	984	–	–	984
Total	112,759	–	–	112,759	71,180	40,524	–	111,704

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 period ended March 31, 2024, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at March 31, 2024, these securities were classified as Level 1 (2023 – Level 2).

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 (\$)	Equities (\$)
Balance – beginning of period	–	2
Purchases	–	–
Sales	–	–
Transfers in	–	–
Transfers out	–	–
Gains (losses) during the period:		
Realized	–	(294)
Unrealized	–	292
Balance – end of period	–	–
Change in unrealized gains (losses) during the period attributable to securities held at end of period	–	–

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

As at March 31, 2024 and 2023, there were no investments by the Manager in the Fund.

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

As at March 31, 2024 and 2023, there were no amounts subject to offsetting.

#### (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 (\$)
iShares MSCI EAFE ETF	0.0	454
SPDR S&P 500 ETF Trust	0.0	680

  

March 31, 2023	% of Underlying Fund's Net Assets	Fair Value of Fund's Investment (\$)
iShares MSCI EAFE ETF	0.0	393
SPDR S&P 500 ETF Trust	0.0	591