

# IG MACKENZIE PAN ASIAN EQUITY CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

## 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 Pan Asian Equity Class (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 International Financial Reporting Standards.

The Manager is also responsible for the development of internal controls over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors (the "Board") of 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.

Deloitte 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 2, 2022

## INDEPENDENT AUDITOR'S REPORT

To the Securityholders of IG Mackenzie Pan Asian Equity Class (the "Fund")

### Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at March 31, 2022 and 2021, and the statements of comprehensive income, changes in financial position and cash flows for the periods then ended, and indicated in note 1, and notes to the financial statements, including a summary of significant accounting policies (collectively 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, 2022 and 2021, and its financial performance and its cash flows for the periods then ended, as indicated in note 1, in accordance with International Financial Reporting Standards ("IFRS").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our 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.

### Other Information

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do 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, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance prior to 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 this 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, 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.

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## INDEPENDENT AUDITOR'S REPORT (cont'd)

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 Fund's financial reporting process.

### 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 GAAS 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 these financial statements.

As part of an audit in accordance with Canadian GAAS, 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 Fund's 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.

We 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.

*Deloitte LLP*

Licensed Public Accountants  
Toronto, Ontario  
June 13, 2022

# IG MACKENZIE PAN ASIAN EQUITY CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

## STATEMENTS OF FINANCIAL POSITION

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

|   | 2022          | 2021          |
|---|---------------|---------------|
|   | \$            | \$            |
| <b>ASSETS</b>                                     |               |               |
| <b>Current assets</b>                             |               |               |
| Investments at fair value                         | 26,540        | 33,132        |
| Cash and cash equivalents                         | –             | –             |
| Accounts receivable for investments sold          | 2             | 4             |
| Accounts receivable for securities issued         | –             | –             |
| Taxes recoverable                                 | 18            | 18            |
| <b>Total assets</b>                               | <b>26,560</b> | <b>33,154</b> |
| <b>LIABILITIES</b>                                |               |               |
| <b>Current liabilities</b>                        |               |               |
| Accounts payable for investments purchased        | –             | –             |
| Accounts payable for securities redeemed          | –             | –             |
| Due to manager                                    | 1             | 1             |
| <b>Total liabilities</b>                          | <b>1</b>      | <b>1</b>      |
| <b>Net assets attributable to securityholders</b> | <b>26,559</b> | <b>33,153</b> |

## STATEMENTS OF COMPREHENSIVE INCOME

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

|   | 2022           | 2021          |
|---|----------------|---------------|
|   | \$             | \$            |
| <b>Income</b>   |                |               |
| Dividends   | 587            | 580           |
| Other changes in fair value of investments and other net assets                                     |                |               |
| Net realized gain (loss)  | 2,958          | 828           |
| Net unrealized gain (loss)  | (6,408)        | 9,365         |
| <b>Total income (loss)</b>  | <b>(2,863)</b> | <b>10,773</b> |
| <b>Expenses (note 6)</b>  |                |               |
| Management fees   | 362            | 392           |
| Service fees  | 19             | 30            |
| Administration fees   | 79             | 75            |
| Commissions and other portfolio transaction costs   | 1              | 1             |
| Independent Review Committee fees   | –              | –             |
| Other   | –              | 3             |
| <b>Expenses before amounts absorbed by Manager</b>  | <b>461</b>     | <b>501</b>    |
| Expenses absorbed by Manager  | –              | –             |
| <b>Net expenses</b>   | <b>461</b>     | <b>501</b>    |
| <b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b> | <b>(3,324)</b> | <b>10,272</b> |
| Foreign withholding tax expense (recovery)  | –              | –             |
| Foreign income taxes paid (recovered)   | –              | –             |
| <b>Increase (decrease) in net assets attributable to securityholders from operations</b>            | <b>(3,324)</b> | <b>10,272</b> |

|              | Net assets attributable to securityholders (note 3) |       |               |               |
|--------------|---|-------|---------------|---------------|
|              | per security  |       | per series    |               |
|              | 2022  | 2021  | 2022          | 2021          |
| Series A     | 21.52   | 24.63 | 1,953         | 4,201         |
| Series B     | 21.16   | 24.22 | 792           | 1,397         |
| Series J DSC | 20.74   | 23.74 | 1,058         | 2,085         |
| Series J NL  | 20.67   | 23.66 | 314           | 657           |
| Series U     | 18.65   | 21.34 | 22,442        | 24,813        |
|              |   |       | <b>26,559</b> | <b>33,153</b> |

|              | Increase (decrease) in net assets attributable to securityholders from operations (note 3) |      |                |               |
|--------------|--|------|----------------|---------------|
|              | per security   |      | per series     |               |
|              | 2022   | 2021 | 2022           | 2021          |
| Series A     | (2.47)   | 7.70 | (317)          | 1,718         |
| Series B     | (2.65)   | 7.67 | (123)          | 664           |
| Series J DSC | (2.37)   | 7.60 | (171)          | 961           |
| Series J NL  | (2.32)   | 7.51 | (47)           | 292           |
| Series U     | (2.25)   | 6.43 | (2,666)        | 6,637         |
|              |  |      | <b>(3,324)</b> | <b>10,272</b> |

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

# IG MACKENZIE PAN ASIAN EQUITY CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

## STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

|  | Total         |               | Series A     |              | Series B   |              | Series J DSC |              | Series J NL |            |           |
|--|---------------|---------------|--------------|--------------|------------|--------------|--------------|--------------|-------------|------------|-----------|
|  | 2022          | 2021          | 2022         | 2021         | 2022       | 2021         | 2022         | 2021         | 2022        | 2021       |           |
| <b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>                      |               |               |              |              |            |              |              |              |             |            |           |
| Beginning of period  | 33,153        | 24,628        | 4,201        | 4,685        | 1,397      | 1,907        | 2,085        | 2,611        | 657         | 781        |           |
| Increase (decrease) in net assets from operations                      | (3,324)       | 10,272        | (317)        | 1,718        | (123)      | 664          | (171)        | 961          | (47)        | 292        |           |
| Dividends paid to securityholders:                                     |               |               |              |              |            |              |              |              |             |            |           |
| Ordinary   | (136)         | (154)         | –            | –            | –          | –            | –            | –            | –           | –          |           |
| Capital gains  | (475)         | –             | (18)         | –            | (7)        | –            | (13)         | –            | (4)         | –          |           |
| Total dividends paid to securityholders                                | (611)         | (154)         | (18)         | –            | (7)        | –            | (13)         | –            | (4)         | –          |           |
| Security transactions:   |               |               |              |              |            |              |              |              |             |            |           |
| Proceeds from securities issued  | 5,109         | 8,321         | 5            | 153          | 122        | 280          | 18           | 201          | 43          | 139        |           |
| Reinvested dividends   | 544           | 140           | 17           | –            | 7          | –            | 13           | –            | 4           | –          |           |
| Payments on redemption of securities                                   | (8,312)       | (10,054)      | (1,935)      | (2,355)      | (604)      | (1,454)      | (874)        | (1,688)      | (339)       | (555)      |           |
| Total security transactions  | (2,659)       | (1,593)       | (1,913)      | (2,202)      | (475)      | (1,174)      | (843)        | (1,487)      | (292)       | (416)      |           |
| Increase (decrease) in net assets attributable to securityholders      | (6,594)       | 8,525         | (2,248)      | (484)        | (605)      | (510)        | (1,027)      | (526)        | (343)       | (124)      |           |
| <b>End of period</b>   | <b>26,559</b> | <b>33,153</b> | <b>1,953</b> | <b>4,201</b> | <b>792</b> | <b>1,397</b> | <b>1,058</b> | <b>2,085</b> | <b>314</b>  | <b>657</b> |           |
| <b>Increase (decrease) in fund securities (in thousands) (note 7):</b> |               |               |              |              |            |              |              |              |             |            |           |
| Securities outstanding, beginning of period                            |               |               | Securities   | 171          | 270        | Securities   | 58           | 112          | Securities  | 88         | 157       |
| Issued   |               |               |              | –            | 8          |              | 5            | 14           |             | –          | 10        |
| Reinvested dividends   |               |               |              | 1            | –          |              | –            | –            |             | 1          | –         |
| Redeemed   |               |               |              | (81)         | (107)      |              | (26)         | (68)         |             | (38)       | (79)      |
| <b>Securities outstanding – end of period</b>                          |               |               |              | <b>91</b>    | <b>171</b> |              | <b>37</b>    | <b>58</b>    |             | <b>51</b>  | <b>88</b> |

  

|  | Series U      |               |
|--|---------------|---------------|
|  | 2022          | 2021          |
| <b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>                      |               |               |
| Beginning of period  | 24,813        | 14,644        |
| Increase (decrease) in net assets from operations                      | (2,666)       | 6,637         |
| Dividends paid to securityholders:                                     |               |               |
| Ordinary   | (136)         | (154)         |
| Capital gains  | (433)         | –             |
| Total dividends paid to securityholders                                | (569)         | (154)         |
| Security transactions:   |               |               |
| Proceeds from securities issued  | 4,921         | 7,548         |
| Reinvested dividends   | 503           | 140           |
| Payments on redemption of securities                                   | (4,560)       | (4,002)       |
| Total security transactions  | 864           | 3,686         |
| Increase (decrease) in net assets attributable to securityholders      | (2,371)       | 10,169        |
| <b>End of period</b>   | <b>22,442</b> | <b>24,813</b> |
| <b>Increase (decrease) in fund securities (in thousands) (note 7):</b> |               |               |
| Securities outstanding, beginning of period                            | 1,163         | 984           |
| Issued   | 235           | 388           |
| Reinvested dividends   | 25            | 7             |
| Redeemed   | (220)         | (216)         |
| <b>Securities outstanding – end of period</b>                          | <b>1,203</b>  | <b>1,163</b>  |

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

# IG MACKENZIE PAN ASIAN EQUITY CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

## STATEMENTS OF CASH FLOWS

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

|   | 2022           | 2021           |
|---|----------------|----------------|
|   | \$             | \$             |
| <b>Cash flows from operating activities</b>   |                |                |
| Net increase (decrease) in net assets attributable to securityholders from operations | (3,324)        | 10,272         |
| Adjustments for:  |                |                |
| Net realized loss (gain) on investments   | (778)          | (554)          |
| Change in net unrealized loss (gain) on investments                                   | 6,408          | (9,365)        |
| Distributions received in-kind from underlying funds                                  | (2,768)        | (864)          |
| Purchase of investments   | (1,023)        | (2,653)        |
| Proceeds from sale and maturity of investments  | 4,755          | 4,918          |
| (Increase) decrease in accounts receivable and other assets                           | –              | (7)            |
| <b>Net cash provided by (used in) operating activities</b>                            | <b>3,270</b>   | <b>1,747</b>   |
| <b>Cash flows from financing activities</b>   |                |                |
| Proceeds from securities issued   | 3,558          | 5,172          |
| Payments on redemption of securities  | (6,761)        | (6,905)        |
| Dividends paid net of reinvestments   | (67)           | (14)           |
| <b>Net cash provided by (used in) financing activities</b>                            | <b>(3,270)</b> | <b>(1,747)</b> |
| <b>Increase (decrease) in cash and cash equivalents</b>                               | <b>–</b>       | <b>–</b>       |
| Cash and cash equivalents at beginning of period                                      | –              | –              |
| Effect of exchange rate fluctuations on cash and cash equivalents                     | –              | –              |
| <b>Cash and cash equivalents, end of period</b>                                       | <b>–</b>       | <b>–</b>       |
| Cash  | –              | –              |
| Cash equivalents  | –              | –              |
| <b>Cash and cash equivalents, end of period</b>                                       | <b>–</b>       | <b>–</b>       |
| <b>Supplementary disclosures on cash flow from operating activities:</b>              |                |                |
| Dividends received  | 587            | 580            |
| Foreign taxes paid  | –              | –              |
| Interest received   | –              | –              |
| Interest paid   | –              | –              |

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

# IG MACKENZIE PAN ASIAN EQUITY CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

## SCHEDULE OF INVESTMENTS

as at March 31, 2022

|   | Country | Sector       | Par Value/<br>No. of<br>Shares/Units | Average<br>Cost<br>(\$ 000) | Fair<br>Value<br>(\$ 000) |
|---|---------|--------------|--------------------------------------|-----------------------------|---------------------------|
| <sup>1</sup> <b>MUTUAL FUNDS</b>                  |         |              |                                      |                             |                           |
| IG Mackenzie Pan Asian Equity Fund Series R       | Canada  | Mutual Funds | 1,376,203                            | 25,791                      | 26,540                    |
| <b>Total mutual funds</b>                         |         |              |                                      | <u>25,791</u>               | <u>26,540</u>             |
| Transaction costs                                 |         |              |                                      | —                           | —                         |
| <b>Total investments</b>                          |         |              |                                      | <u>25,791</u>               | <u>26,540</u>             |
| Cash and cash equivalents                         |         |              |                                      |                             | —                         |
| Other assets less liabilities                     |         |              |                                      |                             | 19                        |
| <b>Net assets attributable to securityholders</b> |         |              |                                      |                             | <u>26,559</u>             |

<sup>1</sup> All mutual funds are managed by the Manager or affiliates of the Manager of the Fund.

# IG MACKENZIE PAN ASIAN EQUITY CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

## SUMMARY OF INVESTMENT PORTFOLIO OF THE UNDERLYING FUND\*

| MARCH 31, 2022                 |                 | MARCH 31, 2021                 |                 |
|--------------------------------|-----------------|--------------------------------|-----------------|
| <b>PORTFOLIO ALLOCATION</b>    | <b>% OF NAV</b> | <b>PORTFOLIO ALLOCATION</b>    | <b>% OF NAV</b> |
| Equities                       | 97.7            | Equities                       | 98.0            |
| Cash and cash equivalents      | 2.0             | Cash and cash equivalents      | 2.9             |
| Other net assets (liabilities) | 0.3             | Other net assets (liabilities) | (0.9)           |
| <b>Total</b>                   | <b>100.0</b>    | <b>Total</b>                   | <b>100.0</b>    |
| <b>COUNTRY ALLOCATION</b>      |                 | <b>COUNTRY ALLOCATION</b>      |                 |
| Japan                          | 35.0            | Japan                          | 36.2            |
| Australia                      | 16.7            | China                          | 14.6            |
| China                          | 15.9            | South Korea                    | 11.4            |
| South Korea                    | 9.2             | Australia                      | 11.3            |
| Taiwan                         | 6.5             | Taiwan                         | 6.7             |
| India                          | 6.4             | India                          | 6.1             |
| Hong Kong                      | 4.1             | Hong Kong                      | 5.8             |
| Other                          | 3.9             | Switzerland                    | 1.9             |
|                                | <b>97.7</b>     | Indonesia                      | 1.1             |
|                                |                 | Other                          | 2.9             |
|                                |                 |                                | <b>98.0</b>     |
| <b>SECTOR ALLOCATION</b>       |                 | <b>SECTOR ALLOCATION</b>       |                 |
| Financials                     | 20.9            | Information Technology         | 21.8            |
| Information Technology         | 16.9            | Financials                     | 21.1            |
| Consumer Discretionary         | 12.1            | Consumer Discretionary         | 16.1            |
| Industrials                    | 11.1            | Communication Services         | 9.9             |
| Communication Services         | 9.6             | Materials                      | 8.7             |
| Materials                      | 8.7             | Industrials                    | 7.6             |
| Energy                         | 6.0             | Energy                         | 4.2             |
| Health Care                    | 4.7             | Consumer Staples               | 3.9             |
| Real Estate                    | 4.2             | Health Care                    | 2.5             |
| Consumer Staples               | 3.5             | Other                          | 2.2             |
|                                | <b>97.7</b>     |                                | <b>98.0</b>     |

\* The Fund is currently fully invested in IG Mackenzie Pan Asian Equity Fund (the "Underlying Fund").

# IG MACKENZIE PAN ASIAN EQUITY CLASS

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## NOTES TO FINANCIAL STATEMENTS

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

#### (a) Organization of the Corporation and the Fund

Investors Group Corporate Class Inc. (the "Corporation") is a mutual fund corporation incorporated under the laws of Canada on July 17, 2002. The address of the Corporation's registered office is 447 Portage Avenue, Winnipeg, Manitoba, Canada. The Fund is a class of shares of the Corporation. The Corporation is authorized to issue an unlimited number of common shares and mutual fund shares. If issued, Series P shares 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. Dividends 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, 2022 and 2021, 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 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 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 International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). A summary of the Fund's significant 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 assets and liabilities that have been measured at fair value.

These financial statements were authorized for issue by the Manager on June 2, 2022.

### 3. Significant Accounting Policies

#### (a) Financial instruments

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. As such, 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.

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 ("Underlying Funds") and Exchange Traded Funds ("ETFs") at FVTPL. The Fund has concluded that the Underlying Funds and ETFs in which it invests do not meet the definition of structured entities. 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 entitle securityholders the right to redeem their interest in the Fund for cash equal to their proportionate share of the net asset value of the Fund, amongst other contractual rights. The Fund's redeemable securities 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.

#### (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. The Fund's valuation policies are as follows:

Fair value for securities listed on a public securities exchange or traded on an over-the-counter market is determined as the last traded market price or close price recorded by the security exchange on which the security is principally traded, where the close price falls within the bid-ask spread of the security.

In situations where the last traded market price is not within the bid-ask spread, the Manager selects the point within the bid-ask spread that is most representative of fair value.



# IG MACKENZIE PAN ASIAN EQUITY CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

## NOTES TO FINANCIAL STATEMENTS

### 3. Significant Accounting Policies (cont'd)

#### (b) Fair value measurement (cont'd)

Investments in securities of another investment fund are valued at the net asset value per security calculated in accordance with the offering documents of such investment fund or as reported by that fund's manager.

Unlisted or non-exchange traded securities, or securities for which a last traded market price is unavailable or securities for which market quotations are, in the Manager's opinion, inaccurate, unreliable or not reflective of all available material information, are valued at their estimated fair value, determined by using appropriate and accepted industry valuation techniques including valuation models. The estimated fair value of a security 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 estimated fair value of a security may be determined using valuation techniques that are not supported by observable market data.

Futures and swaps contracts are valued at the gain or loss that would be realized upon closure of the contract. The values for such contracts fluctuate and are best determined at the settlement price.

Margin accounts represent margin deposits held with brokers in respect of open futures and swaps contracts. Any change in the variation margin requirement is settled daily. Margin paid or deposited in respect of futures contracts or swaps is reflected as a receivable at fair value in the Statement of Financial Position.

Forward contracts, including forward currency contracts, are valued at the gain or loss that would arise as a result of closing the position at the reporting date.

Premiums paid for purchasing an option are recorded as an asset in the Statement of Financial Position and premiums received from writing options are included in the Statement of Financial Position as a liability. Subsequently, options contracts are adjusted daily to fair value.

Cash and cash equivalents includes cash on deposit with banks 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 as bank indebtedness in current liabilities in the Statement of Financial Position.

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.

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.

#### (c) 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.

#### (d) Income recognition

Interest income and expense from interest bearing investments is recognized using the effective interest method. Dividend income and expense is recognized as of the ex-dividend date. Dividends and interest paid on the short selling of equity and bond securities are included in the Statement of Comprehensive Income – Dividends and Interest Income, respectively. Unrealized gains or losses on investments, realized gains or losses on the sale of investments, including foreign exchange gains or losses on such investments, are calculated on an average cost basis. Distributions received from an underlying fund are included in interest income, dividend income, expense, 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.

#### (e) Securities lending and repurchase transactions

The Fund is permitted to enter into securities lending, repurchase and reverse repurchase transactions as set out in the Fund's Simplified Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date.

Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions 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.

# IG MACKENZIE PAN ASIAN EQUITY CLASS

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## NOTES TO FINANCIAL STATEMENTS

### 3. Significant Accounting Policies (cont'd)

#### (f) 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 Statements 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 third-party services that were paid for by brokers during the periods is disclosed in Note 10. The value of certain proprietary services provided by brokers cannot be reasonably estimated.

#### (g) Increase (decrease) in net assets attributable to securityholders from operations

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

#### (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 Statements of Financial Position if all such rights were exercised.

Income and expenses are not offset in the Statement of Comprehensive Income unless required or permitted to by an accounting standard, as specifically disclosed in the IFRS policies of the 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) 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.

Ongoing uncertainty regarding the duration and long-term impact of the COVID-19 pandemic and the effectiveness of vaccines against new variants of the virus contributes to uncertainty regarding the timing of a full economic recovery. As a result, it is not possible to reliably estimate the impact of the pandemic on the financial results and condition of the Fund in future periods.

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 and application of the fair value option*

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.

# IG MACKENZIE PAN ASIAN EQUITY CLASS

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## NOTES TO FINANCIAL STATEMENTS

### 4. Critical Accounting Estimates and Judgments (cont'd)

#### *Structured entities and associates*

In determining whether an unlisted open-ended investment fund or an exchange-traded fund in which the Fund invests, but that it does not consolidate, meets the definitions of either a structured entity or of an associate, the Manager is required to make significant judgments about whether these underlying funds have the typical characteristics of a structured entity or of an associate. The Manager has assessed the characteristics of these underlying funds and has concluded that they do not meet the definition of either a structured entity or of an associate because the Fund does not have contracts or financing arrangements with these underlying funds and the Fund does not have an ability to influence the activities of these underlying funds or the returns it receives from investing in these underlying funds.

### 5. Income Taxes

The Corporation qualifies as a mutual fund corporation under the provisions of the *Income Tax Act* (Canada). As a mutual fund corporation, the Corporation computes its net income (loss) and net capital gains (losses) for income tax purposes as a single entity, not on a fund-by-fund basis. Therefore, net loss for income tax purposes of one Fund in the Corporation may be used to offset net income for tax purposes of another Fund in the Corporation to reduce the total net income for tax purposes of the Corporation as a whole. The Corporation maintains a December year-end for tax purposes.

The general income tax rules associated with a public corporation also apply to a mutual fund corporation with the exception that income taxes payable on capital gains are refundable on a formula basis when issued shares of the Corporation are redeemed or capital gain dividends are paid. The Corporation is subject to a refundable tax at a rate of 38.33% of dividends from certain taxable Canadian corporations. This tax is refundable at the rate of \$1 for every \$2.61 of ordinary dividends paid. To the extent there is net income for tax purposes from other sources (such as interest and foreign income), it is taxed at the full general corporate rate before the general rate reductions. In the event that there is an overall net loss for tax purposes for the Corporation, this loss can be carried back three years or forward to a subsequent year and used to reduce taxes payable for those years. As of the end of the last taxation year, the Corporation had no losses available to offset future years' capital gains or income.

The Corporation and the Fund follow the asset and liability method of accounting for income taxes whereby deferred income tax assets and liabilities reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred income tax assets and liabilities are measured based on the enacted or substantively enacted tax rates which are expected to be in effect when the underlying items of income or expense are expected to be realized.

Temporary differences between the carrying value of assets and liabilities for accounting and tax purposes give rise to deferred income tax assets and liabilities. Where the fair value of investments exceeds their cost, a deferred tax liability arises. This deferred tax liability for refundable taxes payable is offset with the refund expected upon payment of capital gains dividends. Where the cost of investments exceeds their fair value, a deferred tax asset is generated. A full valuation allowance is taken to offset this asset given the uncertainty that such deferred assets will ultimately be realized by the Fund.

### 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. Common expenses of the Corporation are allocated across the Funds 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.
- (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. The Fund may also pay the Distributors an annual fee in recognition of certain distribution services provided by the Distributors. See Note 10 for the annual rates paid (as a percentage of average assets) by the Fund.
- (e) 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.
- (f) 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.
- (g) Other expenses are comprised of interest and borrowing charges and other miscellaneous expenses.
- (h) The Manager may, at its discretion, pay certain expenses of the Fund so 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.
- (i) 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.
- (j) Agreements between the individual members of the Fund's IRC and the Manager, 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.

# IG MACKENZIE PAN ASIAN EQUITY CLASS

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## NOTES TO FINANCIAL STATEMENTS

### 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, 2022 and 2021 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, 2022, 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.

#### (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.

# IG MACKENZIE PAN ASIAN EQUITY CLASS

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## NOTES TO FINANCIAL STATEMENTS

### 8. Financial Instruments Risk (cont'd)

#### (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 moderates 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.

### 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           |
|---------------|-----------------------|---------------|-----------------------|
| AUD           | Australian dollars    | MXN           | Mexican peso          |
| BRL           | Brazilian real        | MYR           | Malaysian ringgit     |
| CAD           | Canadian dollars      | NGN           | Nigerian naira        |
| CHF           | Swiss franc           | NOK           | Norwegian krona       |
| CKZ           | Czech koruna          | NTD           | New Taiwan dollar     |
| CLP           | Chilean peso          | NZD           | New Zealand dollars   |
| CNY           | Chinese yuan          | PEN           | Peruvian nuevo sol    |
| COP           | Colombian peso        | PHP           | Philippine peso       |
| DKK           | Danish krone          | PLN           | Polish zloty          |
| EUR           | Euro                  | RON           | Romanian leu          |
| GBP           | United Kingdom pounds | RUB           | Russian ruble         |
| HKD           | Hong Kong dollars     | SEK           | Swedish krona         |
| HUF           | Hungarian forint      | SGD           | Singapore dollars     |
| IDR           | Indonesian rupiah     | THB           | Thailand baht         |
| ILS           | Israeli sheqel        | TRL           | Turkish lira          |
| INR           | Indian rupee          | USD           | United States dollars |
| JPY           | Japanese yen          | ZAR           | South African rand    |
| KOR           | South Korean won      | 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.sedar.com](http://www.sedar.com). 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.sedar.com](http://www.sedar.com).

# IG MACKENZIE PAN ASIAN EQUITY CLASS

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## NOTES TO FINANCIAL STATEMENTS

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

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

| Series       | Inception/<br>Reinstatement Date | Management<br>fee (%) | Service<br>fee (%) | Administration<br>fee (%) |
|--------------|----------------------------------|-----------------------|--------------------|---------------------------|
| Series A     | n/a                              | 1.95                  | 0.30               | 0.23                      |
| Series B     | n/a                              | 1.95                  | 0.30               | 0.23                      |
| Series J DSC | 07/13/2012                       | 1.70                  | 0.30               | 0.23                      |
| Series J NL  | 07/13/2012                       | 1.70                  | 0.30               | 0.23                      |
| Series U     | 07/12/2013                       | 0.85                  | –                  | 0.23                      |

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

Inception dates of the series are shown if within 10 years.

Series A and J DSC are closed to new investments by securityholders, but still available for reinvested distributions and switches from corresponding series of other IG Wealth Management Funds.

Mackenzie Investments Europe Limited is the Portfolio Advisor to the Fund and Mackenzie Investments Asia Limited has been engaged as sub-advisor to provide investment services to the Underlying Fund.

#### (b) Securities Lending

As at March 31, 2022 and 2021, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.

#### (c) Commissions

|                | (\$) |
|----------------|------|
| March 31, 2022 | –    |
| March 31, 2021 | –    |

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

##### i. Risk exposure and management

The Fund aims to provide long-term capital growth through exposure to common shares of companies located throughout Asia, including Japan, by investing primarily in Underlying Funds and/or directly in equity securities. It is expected that the Fund will invest 100% of its assets in IG Mackenzie Pan Asian Equity Fund (the Underlying Fund), or any successor mutual fund(s).

##### ii. Currency risk

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

| Impact on net assets | Increased by 5% |       | Decreased by 5% |     |
|----------------------|-----------------|-------|-----------------|-----|
|                      | (\$)            | (%)   | (\$)            | (%) |
| March 31, 2022       | (1,323)         | (5.0) | 1,323           | 5.0 |
| March 31, 2021       | (1,660)         | (5.0) | 1,660           | 5.0 |

##### iii. Interest rate risk

As at March 31, 2022 and 2021, 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, 2022       | 2,594            | 9.8 | (2,594)          | (9.8) |
| March 31, 2021       | 3,248            | 9.8 | (3,248)          | (9.8) |

##### v. Credit risk

As at March 31, 2022 and 2021, the Fund did not have a significant exposure to credit risk.

# IG MACKENZIE PAN ASIAN EQUITY CLASS

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2022

## NOTES TO FINANCIAL STATEMENTS

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

#### (e) 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, 2022  |                 |                 |               | March 31, 2021  |                 |                 |               |
|--------------|-----------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|---------------|
|              | Level 1<br>(\$) | Level 2<br>(\$) | Level 3<br>(\$) | Total<br>(\$) | Level 1<br>(\$) | Level 2<br>(\$) | Level 3<br>(\$) | Total<br>(\$) |
| Mutual funds | 26,540          | –               | –               | 26,540        | 33,132          | –               | –               | 33,132        |
| Total        | 26,540          | –               | –               | 26,540        | 33,132          | –               | –               | 33,132        |

During the periods, there were no significant transfers between Level 1 and Level 2.

#### (f) Comparative Amounts

Certain prior period comparative amounts have been reclassified to conform to the current period's presentation.