Annual Financial Statements of

THE CANADA LIFE ASSURANCE COMPANY

IG/CL Mutual of Canada GIF

December 31, 2025

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Independent Auditor's Report

To the Contractholders of IG/CL Mutual of Canada GIF (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position at December 31, 2025 and 2024, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material 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 December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

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.

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 as issued by the IASB and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, 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 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.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 12, 2026

IG/CL Mutual of Canada GIF
ANNUAL FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

as at December 31

	2025 ($)	2024 ($)
Assets		
Current assets:		
Investments at fair value	28,495,250	27,580,603
Cash and cash equivalents	-	-
Accrued interest receivable	-	-
Dividends receivable	-	-
Accounts receivable for securities sold	-	-
Accounts receivable from underlying funds	-	-
Accounts receivable from the administrator	2,570	2,803
	28,497,820	27,583,406
Non-current assets:		
Taxes recoverable	-	-
Total assets	28,497,820	27,583,406
Liabilities		
Current liabilities:		
Bank indebtedness	21,611	20,179
Accounts payable to underlying funds	-	-
Income distributions payable	-	-
Accrued expenses and miscellaneous payables	-	-
Other liabilities	-	-
Total liabilities	21,611	20,179
Net assets attributable to contractholders	28,476,209	27,563,227

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS

for the years ended December 31

	2025 ($)	2024 ($)
Net assets attributable to contractholders, beginning of year	27,563,227	25,100,118
Increase (decrease) in net assets attributable to contractholders resulting from:		
Operations	4,080,814	3,893,531
Contractholder deposits	1,754,431	24,346,156
Contractholder withdrawals	(4,922,263)	(25,776,578)
Increase (decrease) in net assets attributable to contractholders	912,982	2,463,109
Net assets attributable to contractholders, end of year	28,476,209	27,563,227

STATEMENTS OF COMPREHENSIVE INCOME

for the years ended December 31

	2025 ($)	2024 ($)
Income:		
Dividends	241,334	276,911
Interest income	177,258	71,819
Other changes in fair value of investments:		
Net realized gain (loss)	2,413,242	1,700,723
Net unrealized gain (loss)	1,475,419	2,067,663
Other	-	-
Total income	4,307,253	4,117,116
Expenses:		
Management fees	154,271	153,361
Administration fees	72,100	70,146
Other	68	78
Total expenses	226,439	223,585
Net increase (decrease) in net assets attributable to contractholders from operations	4,080,814	3,893,531

See accompanying notes to financial statements.

STATEMENTS OF CASH FLOWS

for the years ended December 31

	2025 ($)	2024 ($)
Cash flows from operating activities:		
Net increase (decrease) in net assets attributable to contractholders from operations:	4,080,814	3,893,531
Less non-cash impact of:		
Net realized loss (gain) on investments	(2,413,242)	(1,700,723)
Change in net unrealized loss (gain) on investments	(1,475,419)	(2,067,663)
Adjustments for:		
Purchases of investments	(1,403,201)	(3,370,682)
Proceeds from sale and maturity of investments	4,377,215	4,656,760
(Increase) decrease in accounts receivable and other assets	233	187
Increase (decrease) in accounts payable and other liabilities	-	(1,167)
Net cash provided by (used in) operating activities	3,166,400	1,410,243
Cash flows from financing activities:		
Contractholder deposits	1,620,761	5,237,611
Contractholder withdrawals	(4,788,593)	(6,668,033)
Net cash provided by (used in) financing activities	(3,167,832)	(1,430,422)
Increase (decrease) in cash and cash equivalents	(1,432)	(20,179)
Cash and cash equivalents, beginning of year	(20,179)	-
Effect of exchange rate fluctuations on cash and cash equivalents	-	-
Cash and cash equivalents, end of year	(21,611)	(20,179)
Cash	-	-
Cash equivalents	-	-
Bank indebtedness	(21,611)	(20,179)
	(21,611)	(20,179)

Supplementary disclosures on cash flow from operating activities:

	($)	($)
Dividends received	241,334	276,911
Interest received	177,258	71,819
Interest paid	-	-

See accompanying notes to financial statements.

IG/CL Mutual of Canada GIF

FINANCIAL HIGHLIGHTS (UNAUDITED)

The following tables show selected key financial information about the Fund and are intended to assist in understanding the Fund's financial performance for the past 5 years.

Effective May 17, 2024, Series A1, Series A2, Series A3, Series JDSC1, Series JDSC2 and Series JDSC3 were redesignated as Series B1, Series B2, Series B3, Series JNL1, Series JNL2 and Series JNL3, respectively. Series A1, Series A2, Series A3, Series JDSC1, Series JDSC2, and Series JDSC3 are no longer available for sale.

UNIT VALUES

	Series	Dec. 31 2025 ($)	Dec. 31 2024 ($)	Dec. 31 2023 ($)	Dec. 31 2022 ($)	Dec. 31 2021 ($)
Net asset value per unit as at	A1	n/a	n/a	15.23	13.93	15.48
	A2	n/a	n/a	15.03	13.76	15.31
	A3	n/a	n/a	14.60	13.40	14.94
	B1	20.30	17.50	15.12	13.83	15.37
	B2	19.95	17.23	14.89	13.63	15.17
	B3	19.31	16.71	14.48	13.28	14.81
	JDSC1	n/a	n/a	14.10	12.86	14.26
	JDSC2	n/a	n/a	14.02	12.79	14.20
	JDSC3	n/a	n/a	13.82	12.64	14.06
	JNL1	19.06	16.39	14.12	12.87	14.27
	JNL2	18.87	16.25	14.01	12.79	14.20
	JNL3	18.53	15.98	13.81	12.63	14.05
Net increase (decrease) resulting from operations per unit for the years then ended	A1	n/a	1.14	1.32	(1.55)	2.32
	A2	n/a	1.10	1.30	(1.53)	2.30
	A3	n/a	1.06	1.27	(1.49)	2.24
	B1	2.64	2.46	1.31	(1.53)	2.31
	B2	2.56	2.34	1.29	(1.51)	2.28
	B3	2.62	2.28	1.26	(1.47)	2.23
	JDSC1	n/a	1.06	1.22	(1.42)	2.14
	JDSC2	n/a	1.03	1.21	(1.42)	2.13
	JDSC3	n/a	1.01	1.20	(1.40)	2.11
	JNL1	2.64	2.28	1.22	(1.41)	2.15
	JNL2	2.52	2.25	1.21	(1.42)	2.13
	JNL3	2.58	2.24	1.20	(1.39)	2.11

PORTFOLIO TURNOVER RATE

	Dec. 31 2025	Dec. 31 2024	Dec. 31 2023	Dec. 31 2022	Dec. 31 2021
for the years then ended	10.61%	16.32%	6.20%	8.73%	6.96%

RATIOS AND SUPPLEMENTAL DATA

	Series	Dec. 31 2025	Dec. 31 2024	Dec. 31 2023	Dec. 31 2022	Dec. 31 2021
Net assets ($ 000s) as at	A1	n/a	n/a	1,521	1,745	2,228
	A2	n/a	n/a	2,127	3,998	5,820
	A3	n/a	n/a	1,650	2,199	2,805
	B1	1,138	1,570	583	538	638
	B2	1,986	2,287	804	1,158	1,347
	B3	1,928	1,909	637	841	969
	JDSC1	n/a	n/a	5,595	5,252	6,047
	JDSC2	n/a	n/a	3,748	4,978	6,990
	JDSC3	n/a	n/a	3,798	3,637	4,252
	JNL1	10,220	9,044	2,350	1,759	1,726
	JNL2	6,989	7,253	1,640	1,395	1,476
	JNL3	6,215	5,500	647	363	251
Units outstanding as at	A1	n/a	n/a	99,915	125,296	143,923
	A2	n/a	n/a	141,539	290,621	380,089
	A3	n/a	n/a	112,976	164,147	187,788
	B1	56,096	89,716	38,588	38,922	41,516
	B2	99,525	132,786	53,973	84,903	88,789
	B3	99,846	114,239	44,010	63,351	65,442
	JDSC1	n/a	n/a	396,672	408,319	423,938
	JDSC2	n/a	n/a	267,409	389,046	492,276
	JDSC3	n/a	n/a	274,883	287,722	302,431
	JNL1	536,196	551,703	166,435	136,608	120,915
	JNL2	370,399	446,443	117,027	109,084	103,949
	JNL3	335,485	344,081	46,847	28,717	17,850

See accompanying notes to financial statements.

IG/CL Mutual of Canada GIF
FINANCIAL HIGHLIGHTS (UNAUDITED)

RATIOS AND SUPPLEMENTAL DATA (cont'd)

	Series	Dec. 31 2025	Dec. 31 2024	Dec. 31 2023	Dec. 31 2022	Dec. 31 2021
Management expense ratios for the years then ended	A1	n/a	n/a	2.77%	2.78%	2.77%
	A2	n/a	n/a	2.86%	2.88%	2.87%
	A3	n/a	n/a	3.07%	3.08%	3.07%
	B1	2.80%	2.79%	2.76%	2.77%	2.76%
	B2	2.91%	2.89%	2.87%	2.88%	2.87%
	B3	3.11%	3.10%	3.09%	3.10%	3.09%
	JDSC1	n/a	n/a	2.50%	2.51%	2.50%
	JDSC2	n/a	n/a	2.59%	2.60%	2.59%
	JDSC3	n/a	n/a	2.80%	2.81%	2.80%
	JNL1	2.53%	2.51%	2.48%	2.49%	2.48%
	JNL2	2.64%	2.62%	2.60%	2.61%	2.60%
	JNL3	2.84%	2.82%	2.81%	2.81%	2.80%
Management expense ratios before waivers for the years then ended	A1	n/a	n/a	2.77%	2.78%	2.77%
	A2	n/a	n/a	2.86%	2.88%	2.87%
	A3	n/a	n/a	3.07%	3.08%	3.07%
	B1	2.80%	2.79%	2.76%	2.77%	2.76%
	B2	2.91%	2.89%	2.87%	2.88%	2.87%
	B3	3.11%	3.10%	3.09%	3.10%	3.09%
	JDSC1	n/a	n/a	2.50%	2.51%	2.50%
	JDSC2	n/a	n/a	2.59%	2.60%	2.59%
	JDSC3	n/a	n/a	2.80%	2.81%	2.80%
	JNL1	2.53%	2.51%	2.48%	2.49%	2.48%
	JNL2	2.64%	2.62%	2.60%	2.61%	2.60%
	JNL3	2.84%	2.82%	2.81%	2.81%	2.80%

See accompanying notes to financial statements.

SCHEDULE OF INVESTMENTS

as at December 31, 2025

	No. of Units	Average Cost ($)	Fair Value ($)	Indirect Exposure to Financial Instrument Risks: Currency Risk	Interest Rate Risk	Other Price Risk	Credit Risk
Mutual Funds							
IG Mackenzie Mutual of Canada Series S	1,995,466	22,095,631	28,495,250	✓	✓	✓	✓

Top 25 holdings of the Underlying Fund:	*% of net assets of Underlying Fund*
Royal Bank of Canada	4.1
Shopify Inc.	3.2
Government of Canada 3.25% 06-01-2035	2.9
The Toronto-Dominion Bank	2.3
Bank of Montreal	1.7
The Bank of Nova Scotia	1.7
Mackenzie International Quantitative Large Cap Fund Series IG	1.7
iShares MSCI EAFE ETF	1.6
Apple Inc.	1.6
NVIDIA Corp.	1.5
Brookfield Corp.	1.5
Canadian Pacific Kansas City Ltd.	1.5
Mackenzie International Dividend Fund Series IG	1.4
Microsoft Corp.	1.3
Manulife Financial Corp.	1.2
Canadian National Railway Co.	1.2
Alphabet Inc.	1.2
Barrick Mining Corp.	1.2
Canadian Imperial Bank of Commerce	1.1
Province of Ontario 3.95% 12-02-2035	1.0
Waste Connections Inc.	1.0
Dollarama Inc.	1.0
Loblaw Companies Ltd.	0.8
Sun Life Financial Inc.	0.8
Amazon.com Inc.	0.8
	39.3

See accompanying notes to financial statements.

1. Organization of the Fund and General Information

a) Organization of the Fund

The Canada Life Assurance Company (the "Issuer") is the sole issuer of the individual variable insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Issuer and are segregated from other assets. The Fund is not a separate legal entity but is segregated from other assets of the Issuer. The Fund commenced operations on November 30, 2009. The registered address of the Fund is 447 Portage Avenue, Winnipeg, Manitoba, Canada.

The Fund represents the net assets attributable to contractholders, which are invested in one or more underlying mutual fund(s) managed by I.G. Investment Management, Ltd. The Fund can issue an unlimited number of units and currently offers up to 6 series of units.

b) General information

i) Investments of the Fund consist of Series S securities of one or more Investors Group mutual fund(s) (the "Underlying Funds"). All transactions in the Underlying Funds are executed based on the net asset value per security on each transaction day. No commissions or other fees are paid by either the Fund or Underlying Funds in relation to the purchase and redemption of securities.

ii) I.G. Investment Management, Ltd. is the "Manager" and "Administrator" of the Fund. Effective July 1, 2025, the Fund is distributed by IG Wealth Management Inc. (the "Distributor"). Prior to this date, the Fund was distributed by Investors Group Securities Inc., which merged with Investors Group Financial Services Inc., effective July 1, 2025, to form the Distributor. These companies are, indirectly, wholly owned subsidiaries of IGM Financial Inc.

iii) The Canada Life Assurance Company and IGM Financial Inc. are members of the Power Corporation of Canada group of companies.

2. Basis of Preparation and Presentation

These annual financial statements ("financial statements") have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board ("IASB") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

A summary of the Fund's material accounting policies under IFRS is provided in Note 3.

These financial statements are presented in Canadian dollars, which is the Fund's functional currency. 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 Issuer on March 12, 2026.

3. Material 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. 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 based on the weighted average cost of the investment. Realized gains and losses on disposition of investments are determined based on the average cost of investments. Gains and losses arising from changes in the fair value of the investments are included in the Statement of Comprehensive Income for the year in which they arise.

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 in Underlying Funds are valued at the net asset value per security calculated in accordance with the offering documents of such Underlying Fund or as reported by that fund's manager.

Should the quoted value for an Underlying Fund, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the fair value of the security is estimated 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.

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. Under IFRS 13 Fair Value Measurement ("IFRS 13"), this is considered to be a Level 1 valuation.

c) Cash and cash equivalents

Cash and cash equivalents includes cash on deposit with banks and term deposits 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 the Statements of Financial Position.

d) Currency

All amounts are expressed in Canadian dollars. The Fund does not have any significant transactions or balances in foreign currencies, aside from indirect exposure to foreign currency through Underlying Funds.

3. Material Accounting Policies (cont'd)

e) Income recognition

Income from investments is recognized on an accrual basis. Interest income is recognized using the effective interest method. Distributions or dividends from Underlying Funds are recognized when the Fund's right to receive payment is established which is typically on the distribution or ex- dividend date. Distributions received from Underlying Funds are included in interest income, dividend income or capital gains, as appropriate, on the Statements of Comprehensive Income, based on the best information available to the Manager. Due to the nature of these investments, actual allocations could vary from this information.

All series of units generally share in the operations of the Fund, including net income, realized gain (loss) and unrealized gain (loss), on a pro rata basis except for items that can be specifically attributed to one or more series.

f) Redeemable units

The Fund's redeemable units entitle contractholders 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. These redeemable units involve multiple contractual obligations on the part of the Fund and therefore meet the criteria for classification as financial liabilities. The Fund's obligation for net assets attributable to contractholders is measured at FVTPL, with fair value being the redemption amount as of the reporting date.

i) Net assets per unit is computed by dividing the net assets attributable to contractholders in the Fund or series, by the total number of units of the Fund or series outstanding.

ii) Increase (decrease) in net assets attributable to contractholders from operations per unit for a series represents the weighted average increase (decrease) in net assets attributable to contractholders from operations for the series, per unit outstanding during the year.

g) Other assets and liabilities

Accrued interest and dividends receivable and amounts due from Underlying Funds are recorded at fair value. Similarly, accounts payable to Underlying Funds, accrued expenses and other liabilities are reported at fair value. Fair value approximates cost or amortized cost of these items given their short-term nature.

h) Future accounting policies

IFRS 18, Presentation and Disclosure in Financial Statements ("IFRS 18")

In April 2024, the IASB published IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18"). The standard aims to improve how entities communicate information in their financial statements, with a focus on information about financial performance in the statement of earnings. The standard is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Manager is evaluating the impact of the adoption of this standard.

4. Use of Accounting Judgments and Estimates

The preparation of financial statements in accordance with IFRS requires judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities at the reporting date and the reported amounts of income and expenses during the year. However, existing circumstances and assumptions may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

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

a) Functional currency

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

b) Classification of financial instruments

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments in determining the most appropriate classification in accordance with IFRS 9. The Manager has assessed the Fund's business model, the manner in which all financial assets and financial liabilities 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 assets and financial liabilities.

c) Structured entities

In determining whether unlisted open-ended investment funds in which the Fund invests, but that it does not consolidate, meet the definition of a structured entity, the Manager is required to make significant judgments about whether the Underlying Funds have the typical characteristics of a structured entity. The Manager has assessed the characteristics of the Underlying Funds and has concluded that they do not meet the definition of a structured entity because the Fund does not have contracts or financing arrangements with the Underlying Funds and does not have an ability to influence the activities of the Underlying Funds or the return it receives from its investment.

5. Management Fees and Other Expenses

a) Each series of the Fund will incur an expense item 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 Issuer provides or arranges for the provision of investment and advisory services. The Fund pays a management fee to the Issuer for these services. The management fees are calculated at annual rates as stipulated in the information folder, applied against the daily net assets of each series, and accrued daily.

c) The Fund pays the Administrator an administrative services fee and in return the Administrator will bear the operating expenses of the Fund, other than certain specified costs. The administrative services fees are calculated at annual rates as stipulated in the information folder, applied against the daily net assets of each series, and accrued daily.

d) GST/HST paid by the Fund on its expenses is not recoverable. In these financial statements, reference to GST/HST includes QST (Québec sales tax), as applicable.

6. Income Tax

The Fund is deemed to be an inter-vivos trust under the provisions of the Income Tax Act (Canada). Income arising in the Fund is deemed to be payable to the contractholders and therefore the segregated fund will not have taxable income. In addition capital gains and losses are deemed to be those of the contractholders and not of the trusts. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

7. Management Expense Ratio ("MER") (unaudited)

MER is based on total expenses for the period attributable to each series and is expressed as an annualized percentage of the daily average net assets of the series during the period. For periods of less than one year, the MER is annualized. Where a Fund invests in units of an Underlying Fund, the MERs presented for the Fund include the portion of MERs of the Underlying Fund(s) attributable to this investment. Correspondingly, the MERs presented for the Fund exclude any management or other fees that have been waived as a result of its investment in the Underlying Fund(s). Certain expenses that are non- recurring and/or otherwise uncertain as to their future timing and amount have not been annualized.

8. Portfolio Turnover Rate ("PTR") (unaudited)

The Fund's PTR indicates how actively the Fund's Portfolio Advisor manages its portfolio investments. A PTR of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

9. Capital Management

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's information folder. Units are redeemed at the Net Asset Value ("NAV") per unit of the Fund on the redemption date. The capital received by the Fund is utilized within the investment mandate of the Fund. This includes the ability to make liquidity available to satisfy contractholder unit redemption requirements upon the contractholder's request. Increase (decrease) in net assets from operations attributable to contractholders per unit per series is calculated by dividing the increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statements of Comprehensive Income, by the weighted average number of units of each series outstanding during the year. Units issued, reinvested and redeemed during the years are reflected in the Statements of Changes in Financial Position.

10. Financial Instrument Risk

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investments presents the Underlying Funds held by the Fund, including the related indirect exposure to financial instrument risk, as at the end of the year.

a) Risk management

The Fund employs a passive investment strategy whereby investments in Underlying Funds are based on target asset weightings. The target weightings allocated to each Underlying Fund and the selection of Underlying Funds are based on several factors, including impact to the Fund's volatility and asset class diversification. To assist with managing risk, the Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy. Financial Statements for the Underlying Funds, which include discussions about their respective risk exposures, are available upon request. See Note 11 which describes how to obtain further information.

b) Liquidity risk

The Fund is exposed to daily cash redemptions of redeemable units. The units are redeemable on demand at the option of the contractholder at the current net asset value per unit. As the Fund primarily invests all of its net assets in the Underlying Funds, liquidity risk is mitigated by the Underlying Funds' ability to meet the obligation to fund daily cash redemptions of their redeemable units. In addition, the Underlying Funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity.

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. The Fund's investments in all Underlying Funds are denominated in Canadian dollars. However, the Underlying Funds are exposed to currency risk to the extent that their investments are denominated or traded in a foreign currency.

10. Financial Instrument Risk (cont'd)

d) Interest rate risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund does not directly hold any interest-bearing financial instruments other than a nominal amount of cash and short-term investments. The Fund is indirectly exposed to the risk that the value of interest- bearing financial instruments held by the Underlying Funds 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. Cash and cash equivalents and other money market instruments are short term in nature and are generally not 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. The Fund has no significant direct exposure to credit risk. Indirect exposure to credit risk may arise from debt securities, such as bonds, held by Underlying Funds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of investments represents the maximum credit risk exposure. The carrying amount of other assets of the Fund also represents the maximum credit risk exposure, as they will be settled in the short term.

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, currency or credit risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. For the instruments held by the Fund, maximum risk of loss is equivalent to their fair value. The Manager moderates this risk through a careful selection of Underlying Funds within the parameters of the investment strategy. For the Fund, the most significant exposure to other price risk, if any, arises from the Underlying Funds' investments in equity securities and related derivative contracts.

11. Further Information Available

Obtain further information by writing to: IG Wealth Management Inc., 447 Portage Avenue, Winnipeg, Manitoba, R3B 3H5 or, in Québec, 1360, René-Lévesque Boulevard West, Suite 300, Montréal, Québec, H3G 2W4, or by calling toll-free 1-888-746-6344 (in Québec 1-800-661-4578).