

# IG MACKENZIE EUROPEAN EQUITY FUND

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## ***Interim Unaudited Financial Statements***

*For the Six-Month Period Ended September 30, 2023*

*These Interim Unaudited Financial Statements do not contain the Interim Management Report of Fund Performance (“MRFP”) of the investment fund. You may obtain a copy of the Interim MRFP, at no cost, by contacting us using one of the methods noted under Other Information note or by visiting the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca). Copies of the Annual Financial Statements or Annual MRFP may also be obtained, at no cost, using any of the methods outlined above.*

*Securityholders may also contact us using one of these methods to request a copy of the investment fund’s proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.*

### **NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS**

*I.G. Investment Management, Ltd., the Manager of the IG Mackenzie European Equity Fund (the “Fund”), appoints independent auditors to audit the Fund’s Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Interim Financial Statements, this must be disclosed in an accompanying notice.*

*The Fund’s independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.*

# IG MACKENZIE EUROPEAN EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

## STATEMENTS OF FINANCIAL POSITION

at (in \$ 000 except per security amounts)

	Sep. 30 2023	Mar. 31 2023 (Audited)
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Investments at fair value	2,081,609	2,228,304
Cash and cash equivalents	80,876	2,078
Dividends receivable	2,736	2,602
Accounts receivable for investments sold	–	9,795
Accounts receivable for securities issued	–	–
Due from manager	24	26
Taxes recoverable	1,903	1,943
<b>Total assets</b>	<b>2,167,148</b>	<b>2,244,748</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable for investments purchased	20,338	8,243
Accounts payable for securities redeemed	–	–
Due to manager	807	808
Taxes payable	5	–
<b>Total liabilities</b>	<b>21,150</b>	<b>9,051</b>
<b>Net assets attributable to securityholders</b>	<b>2,145,998</b>	<b>2,235,697</b>

## STATEMENTS OF COMPREHENSIVE INCOME

for the periods ended September 30 (in \$ 000 except per security amounts)

	2023 \$	2022 \$
<b>Income</b>		
Dividends	45,417	48,792
Interest income for distribution purposes	2,013	307
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	66,275	(60,482)
Net unrealized gain (loss)	(144,602)	(230,554)
Securities lending income	319	348
<b>Total income (loss)</b>	<b>(30,578)</b>	<b>(241,589)</b>
<b>Expenses (note 6)</b>		
Management fees	2,986	2,776
Management fee rebates	(3)	(4)
Service fees	261	280
Service fee rebates	(151)	(164)
Administration fees	454	389
Interest charges	5	6
Trustee fees	130	112
Commissions and other portfolio transaction costs	1,576	1,900
Independent Review Committee fees	3	2
Other	2	–
<b>Expenses before amounts absorbed by Manager</b>	<b>5,263</b>	<b>5,297</b>
Expenses absorbed by Manager	–	–
<b>Net expenses</b>	<b>5,263</b>	<b>5,297</b>
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>(35,841)</b>	<b>(246,886)</b>
Foreign withholding tax expense (recovery)	7,103	7,344
Foreign income tax expense (recovery)	–	–
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>(42,944)</b>	<b>(254,230)</b>

### Net assets attributable to securityholders (note 3)

	per security		per series	
	Sep. 30 2023	Mar. 31 2023 (Audited)	Sep. 30 2023	Mar. 31 2023 (Audited)
Series A	17.69	18.28	25,004	28,875
Series B	17.43	18.02	6,417	7,253
Series C	17.00	17.58	57,567	68,556
Series F	15.57	16.06	310,763	291,723
Series J DSC	19.35	20.00	25,074	25,529
Series J NL	19.31	19.96	3,260	2,912
Series R	20.75	21.38	1,688,228	1,778,957
Series S	15.69	16.21	29,685	31,892
			<b>2,145,998</b>	<b>2,235,697</b>

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

	per security		per series	
	2023	2022	2023	2022
Series A	(0.56)	(2.18)	(839)	(4,521)
Series B	(0.54)	(2.14)	(210)	(1,128)
Series C	(0.48)	(2.08)	(1,748)	(9,858)
Series F	(0.42)	(1.81)	(8,192)	(31,802)
Series J DSC	(0.62)	(2.36)	(819)	(3,570)
Series J NL	(0.65)	(2.38)	(103)	(338)
Series R	(0.37)	(2.31)	(30,238)	(198,473)
Series S	(0.42)	(1.83)	(795)	(4,540)
			<b>(42,944)</b>	<b>(254,230)</b>

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

# IG MACKENZIE EUROPEAN EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

## STATEMENTS OF CHANGES IN FINANCIAL POSITION

for the periods ended September 30 (in \$ 000 except per security amounts)

	Total		Series A		Series B		Series C		Series F	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	<b>2,235,697</b>	<b>2,085,989</b>	<b>28,875</b>	<b>36,506</b>	<b>7,253</b>	<b>9,069</b>	<b>68,556</b>	<b>79,204</b>	<b>291,723</b>	<b>250,303</b>
Increase (decrease) in net assets from operations	(42,944)	(254,230)	(839)	(4,521)	(210)	(1,128)	(1,748)	(9,858)	(8,192)	(31,802)
Distributions paid to securityholders:										
Investment income	(23,751)	–	(54)	–	(14)	–	(59)	–	(2,249)	–
Capital gains	–	–	–	–	–	–	–	–	–	–
Management fee rebates	(3)	(4)	–	–	–	–	–	–	–	–
Service fee rebates	(151)	(164)	–	–	–	–	(151)	(164)	–	–
<b>Total distributions paid to securityholders</b>	<b>(23,905)</b>	<b>(168)</b>	<b>(54)</b>	<b>–</b>	<b>(14)</b>	<b>–</b>	<b>(210)</b>	<b>(164)</b>	<b>(2,249)</b>	<b>–</b>
Security transactions:										
Proceeds from securities issued	118,435	53,688	83	15	292	250	51	82	15,202	15,774
Securities issued on merger (note 10)	40,904	–	2,405	–	386	–	–	–	36,082	–
Reinvested distributions	23,063	107	53	–	14	–	158	103	1,463	–
Payments on redemption of securities	(205,252)	(73,249)	(5,519)	(4,458)	(1,304)	(1,407)	(9,240)	(7,867)	(23,266)	(11,706)
<b>Total security transactions</b>	<b>(22,850)</b>	<b>(19,454)</b>	<b>(2,978)</b>	<b>(4,443)</b>	<b>(612)</b>	<b>(1,157)</b>	<b>(9,031)</b>	<b>(7,682)</b>	<b>29,481</b>	<b>4,068</b>
<b>Increase (decrease) in net assets attributable to securityholders</b>	<b>(89,699)</b>	<b>(273,852)</b>	<b>(3,871)</b>	<b>(8,964)</b>	<b>(836)</b>	<b>(2,285)</b>	<b>(10,989)</b>	<b>(17,704)</b>	<b>19,040</b>	<b>(27,734)</b>
<b>End of period</b>	<b>2,145,998</b>	<b>1,812,137</b>	<b>25,004</b>	<b>27,542</b>	<b>6,417</b>	<b>6,784</b>	<b>57,567</b>	<b>61,500</b>	<b>310,763</b>	<b>222,569</b>
<b>Increase (decrease) in fund securities (in thousands) (note 7):</b>										
<b>Securities outstanding, beginning of period</b>			<b>1,579</b>	<b>2,233</b>	<b>402</b>	<b>563</b>	<b>3,900</b>	<b>5,031</b>	<b>18,162</b>	<b>17,423</b>
Issued			5	–	16	16	3	6	948	1,170
Issued on merger (note 10)			129	–	21	–	–	–	2,217	–
Reinvested distributions			3	–	1	–	9	7	90	–
Redeemed			(302)	(291)	(72)	(94)	(526)	(534)	(1,454)	(867)
<b>Securities outstanding – end of period</b>			<b>1,414</b>	<b>1,942</b>	<b>368</b>	<b>485</b>	<b>3,386</b>	<b>4,510</b>	<b>19,963</b>	<b>17,726</b>

  

	Series J DSC		Series J NL		Series R		Series S	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>								
<b>Beginning of period</b>	<b>25,529</b>	<b>30,016</b>	<b>2,912</b>	<b>2,792</b>	<b>1,778,957</b>	<b>1,641,959</b>	<b>31,892</b>	<b>36,140</b>
Increase (decrease) in net assets from operations	(819)	(3,570)	(103)	(338)	(30,238)	(198,473)	(795)	(4,540)
Distributions paid to securityholders:								
Investment income	(81)	–	(9)	–	(21,149)	–	(136)	–
Capital gains	–	–	–	–	–	–	–	–
Management fee rebates	(3)	(4)	–	–	–	–	–	–
Service fee rebates	–	–	–	–	–	–	–	–
<b>Total distributions paid to securityholders</b>	<b>(84)</b>	<b>(4)</b>	<b>(9)</b>	<b>–</b>	<b>(21,149)</b>	<b>–</b>	<b>(136)</b>	<b>–</b>
Security transactions:								
Proceeds from securities issued	3,178	89	634	113	92,355	25,707	6,640	11,658
Securities issued on merger (note 10)	1,757	–	274	–	–	–	–	–
Reinvested distributions	81	4	9	–	21,149	–	136	–
Payments on redemption of securities	(4,568)	(5,007)	(457)	(499)	(152,846)	(30,576)	(8,052)	(11,729)
<b>Total security transactions</b>	<b>448</b>	<b>(4,914)</b>	<b>460</b>	<b>(386)</b>	<b>(39,342)</b>	<b>(4,869)</b>	<b>(1,276)</b>	<b>(71)</b>
<b>Increase (decrease) in net assets attributable to securityholders</b>	<b>(455)</b>	<b>(8,488)</b>	<b>348</b>	<b>(724)</b>	<b>(90,729)</b>	<b>(203,342)</b>	<b>(2,207)</b>	<b>(4,611)</b>
<b>End of period</b>	<b>25,074</b>	<b>21,528</b>	<b>3,260</b>	<b>2,068</b>	<b>1,688,228</b>	<b>1,438,617</b>	<b>29,685</b>	<b>31,529</b>
<b>Increase (decrease) in fund securities (in thousands) (note 7):</b>								
<b>Securities outstanding, beginning of period</b>	<b>1,276</b>	<b>1,678</b>	<b>146</b>	<b>156</b>	<b>83,212</b>	<b>85,852</b>	<b>1,968</b>	<b>2,494</b>
Issued	159	6	33	7	4,277	1,451	412	871
Issued on merger (note 10)	86	–	13	–	–	–	–	–
Reinvested distributions	4	–	–	–	985	–	8	–
Redeemed	(229)	(298)	(23)	(30)	(7,110)	(1,724)	(496)	(864)
<b>Securities outstanding – end of period</b>	<b>1,296</b>	<b>1,386</b>	<b>169</b>	<b>133</b>	<b>81,364</b>	<b>85,579</b>	<b>1,892</b>	<b>2,501</b>

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

# IG MACKENZIE EUROPEAN EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

## STATEMENTS OF CASH FLOWS

for the periods ended September 30 (in \$ 000)

	2023	2022
	\$	\$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to securityholders from operations	(42,944)	(254,230)
Adjustments for:		
Net realized loss (gain) on investments	(66,325)	60,268
Change in net unrealized loss (gain) on investments	144,602	230,554
Purchase of investments	(513,806)	(717,042)
Proceeds from sale and maturity of investments	644,305	690,662
(Increase) decrease in accounts receivable and other assets	(92)	840
Increase (decrease) in accounts payable and other liabilities	4	(596)
<b>Net cash provided by (used in) operating activities</b>	<b>165,744</b>	<b>10,456</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	105,394	42,217
Payments on redemption of securities	(192,211)	(61,778)
Distributions paid net of reinvestments	(842)	(61)
<b>Net cash provided by (used in) financing activities</b>	<b>(87,659)</b>	<b>(19,622)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>78,085</b>	<b>(9,166)</b>
Cash and cash equivalents at beginning of period	2,078	4,042
Effect of exchange rate fluctuations on cash and cash equivalents	713	(65)
<b>Cash and cash equivalents at end of period</b>	<b>80,876</b>	<b>(5,189)</b>
Cash	38,766	–
Cash equivalents	42,110	–
Bank indebtedness	–	(5,189)
<b>Cash and cash equivalents at end of period</b>	<b>80,876</b>	<b>(5,189)</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	45,283	49,611
Foreign taxes paid	7,098	7,344
Interest received	2,013	307
Interest paid	5	6

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

# IG MACKENZIE EUROPEAN EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

## SCHEDULE OF INVESTMENTS

as at September 30, 2023

	Country	Sector	Par Value/ Number of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES</b>					
Air Liquide SA	France	Materials	114,917	23,196	26,289
Airbus SE	France	Industrials	143,012	24,120	25,973
Aixtron SE	Germany	Information Technology	646,542	20,482	32,281
Anglo American PLC	South Africa	Materials	1,127,925	48,768	42,399
ASM International NV	Netherlands	Information Technology	54,346	23,173	30,809
ASML Holding NV	Netherlands	Information Technology	28,832	24,072	22,984
AstraZeneca PLC	United Kingdom	Health Care	465,566	68,764	85,067
Atlas Copco AB A	Sweden	Industrials	909,212	12,838	16,538
AXA SA	France	Financials	1,147,086	47,913	46,124
Bank of Ireland Group PLC	Ireland	Financials	2,299,621	22,516	30,655
BNP Paribas SA	France	Financials	413,376	28,600	35,725
Bureau Veritas SA	France	Industrials	768,615	28,042	25,847
Capgemini SE	France	Information Technology	60,281	15,825	14,209
Compagnie Financière Richemont SA	Switzerland	Consumer Discretionary	159,652	26,335	26,400
Compass Group PLC	United Kingdom	Consumer Discretionary	1,359,073	37,553	44,953
CRH PLC	Ireland	Materials	504,125	23,848	37,752
DCC PLC	United Kingdom	Industrials	355,646	34,226	27,071
Diageo PLC	United Kingdom	Consumer Staples	502,757	29,450	25,174
DSM-Firmenich AG	Switzerland	Materials	54,942	9,734	6,301
Endeavour Mining PLC	United Kingdom	Materials	887,280	27,098	23,283
Enel SpA	Italy	Utilities	4,557,202	40,159	37,962
Ferrari NV	Italy	Consumer Discretionary	62,307	23,750	24,928
GEA Group AG	Germany	Industrials	539,229	25,592	27,057
Heineken NV	Netherlands	Consumer Staples	213,382	29,032	25,482
Iberdrola SA	Spain	Utilities	3,037,563	46,460	46,041
Industria de Diseno Textil SA (Inditex)	Spain	Consumer Discretionary	749,704	31,884	37,879
ING Groep NV	Netherlands	Financials	2,366,938	36,400	42,447
JD Sports Fashion PLC	United Kingdom	Consumer Discretionary	5,633,514	14,262	13,934
Lonza Group AG	Switzerland	Health Care	21,406	19,489	13,440
L'Oreal SA	France	Consumer Staples	62,747	27,606	35,276
LVMH Moët Hennessy Louis Vuitton SE	France	Consumer Discretionary	25,762	14,854	26,384
Merck KGaA	Germany	Health Care	71,323	16,478	16,183
Muenchener Rueckversicherungs - Gesellschaft AG (MunichRe)	Germany	Financials	53,138	17,789	28,142
Neste Oil OYJ	Finland	Energy	743,576	41,963	34,279
Nestle SA Reg.	United States	Consumer Staples	665,756	93,066	102,028
Norsk Hydro ASA	Norway	Materials	373,662	3,381	3,186
Novartis AG Reg.	Switzerland	Health Care	632,552	85,553	87,601
Novo Nordisk AS B	Denmark	Health Care	818,252	57,212	101,049
Pandora AS	Denmark	Consumer Discretionary	132,449	18,365	18,537
Prudential PLC	United Kingdom	Financials	1,706,613	30,033	24,951
Prysmian SpA	Italy	Industrials	291,287	13,038	15,864
Publicis Groupe SA	France	Communication Services	234,919	13,987	24,083
Reckitt Benckiser Group PLC	United Kingdom	Consumer Staples	473,136	47,390	45,398
RELX PLC	United Kingdom	Industrials	988,633	33,165	45,268
Roche Holding AG Genussscheine	United States	Health Care	182,586	71,753	67,590
RWE AG	Germany	Utilities	755,430	42,161	38,110
Sandvik AB	Sweden	Industrials	1,449,044	39,946	36,068
Schneider Electric SE	United States	Industrials	156,077	27,440	34,931
Shell PLC	Netherlands	Energy	2,575,196	94,346	112,686
Smurfit Kappa Group PLC	Ireland	Materials	536,753	25,436	24,106
Straumann Holding AG	Switzerland	Health Care	84,804	14,530	14,618
Total SA	France	Energy	890,808	62,511	79,580
UBS Group AG	Switzerland	Financials	845,836	15,054	28,374
UCB SA	Belgium	Health Care	294,209	36,777	32,681
Unilever PLC	United Kingdom	Consumer Staples	890,846	59,482	59,869
Vinci SA	France	Industrials	215,831	27,691	32,436
Vonovia SE	Germany	Real Estate	529,582	17,298	17,327
<b>Total equities</b>				<b>1,891,886</b>	<b>2,081,609</b>
Transaction costs				(4,108)	–
<b>Total investments</b>				<b>1,887,778</b>	<b>2,081,609</b>
Cash and cash equivalents					80,876
Other assets less liabilities					(16,487)
<b>Net assets attributable to securityholders</b>					<b>2,145,998</b>

# IG MACKENZIE EUROPEAN EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

## SUMMARY OF INVESTMENT PORTFOLIO

SEPTEMBER 30, 2023

PORTFOLIO ALLOCATION	% OF NAV
Equities	97.0
Cash and cash equivalents	3.8
Other assets (liabilities)	(0.8)

REGIONAL ALLOCATION	% OF NAV
United Kingdom	20.4
France	18.9
Netherlands	10.9
Switzerland	16.1
Germany	7.4
Denmark	5.6
Ireland	4.3
Spain	3.9
Cash and cash equivalents	3.8
Italy	3.7
Sweden	2.5
Finland	1.6
Belgium	1.5
Other	0.2
Other assets (liabilities)	(0.8)

SECTOR ALLOCATION	% OF NAV
Health care	19.5
Consumer staples	13.7
Industrials	13.4
Financials	11.0
Energy	10.5
Consumer discretionary	9.0
Materials	7.6
Utilities	5.7
Information technology	4.7
Cash and cash equivalents	3.8
Communication services	1.1
Real estate	0.8
Other assets (liabilities)	(0.8)

MARCH 31, 2023

PORTFOLIO ALLOCATION	% OF NAV
Equities	99.7
Other assets (liabilities)	0.2
Cash and cash equivalents	0.1

REGIONAL ALLOCATION	% OF NAV
France	23.4
United Kingdom	17.5
Switzerland	15.7
Netherlands	13.1
Germany	7.7
Ireland	5.5
Denmark	4.6
Spain	3.6
Sweden	3.1
Norway	1.7
Finland	1.5
Italy	1.3
Other	1.0
Other assets (liabilities)	0.2
Cash and cash equivalents	0.1

SECTOR ALLOCATION	% OF NAV
Health care	17.0
Industrials	16.4
Financials	12.6
Consumer staples	12.2
Information technology	10.5
Consumer discretionary	9.7
Energy	8.6
Materials	8.2
Utilities	3.2
Communication services	1.3
Other assets (liabilities)	0.2
Cash and cash equivalents	0.1

# IG MACKENZIE EUROPEAN EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

## NOTES TO FINANCIAL STATEMENTS

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

#### (a) Organization of the Fund

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

The information provided in these financial statements and notes thereto is for the six-month periods ended or as at September 30, 2023 and 2022, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 2023, as applicable. In the year a Fund or series is established or reinstated, 'period' represents the period from inception or reinstatement. Where a series of a Fund was terminated during either period, the information for the series is provided up to close of business on the termination date.

#### (b) General information

I.G. Investment Management, Ltd. is the Manager and Trustee of the Fund. I.G. Investment Management, Ltd. and/or Mackenzie Investments Europe Limited acts as Portfolio Advisor(s) to the Fund. In some cases, Mackenzie Financial Corporation and/or Mackenzie Investments Asia Limited has been engaged as sub-advisor to provide investment services to the Fund. The Fund is distributed by Investors Group Financial Services Inc. and Investors Group Securities Inc. (collectively, the "Distributors"). These companies are, indirectly, wholly owned subsidiaries of IGM Financial Inc.

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

### 2. Basis of Preparation and Presentation

These unaudited interim financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including international Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These financial statements were prepared using the same accounting policies, critical accounting judgements and estimates as applied in the Fund's most recent audited annual financial statements for the year ended March 31, 2023. 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 instruments that have been measured at fair value.

These financial statements were authorized for issue by the Manager on November 13, 2023.

### 3. Significant Accounting Policies

#### (a) Financial instruments

Financial instruments include financial assets and liabilities such as debt and equity securities, open-ended investment funds and derivatives. The Fund classifies and measures financial instruments in accordance with IFRS 9, *Financial Instruments* ("IFRS 9"). Upon initial recognition, financial instruments are classified as fair value through profit or loss ("FVTPL"). All financial assets and liabilities are recognized in the Statement of Financial Position when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation is discharged, cancelled and expires. Investment purchase and sale transactions are recorded as of the trade date.

Financial instruments are subsequently measured at FVTPL with changes in fair value recognized in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net unrealized gain (loss). The cost of investments is determined on a weighted average cost basis.

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

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

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

The Fund's redeemable securities 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. Any changes in the securities not settled in cash as at the end of the period are presented as either Accounts receivable for securities issued or Accounts payable for securities redeemed in the Statement of Financial Position. These accounts receivable and accounts payable amounts typically settle shortly after period-end.

# IG MACKENZIE EUROPEAN EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

## NOTES TO FINANCIAL STATEMENTS

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

#### (b) Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investments listed on a public securities exchange or traded on an over-the-counter market are valued on the basis of the last traded market price or close price recorded by the security exchange on which the security is principally traded, where this price falls within the quoted bid-ask spread for the investment. In circumstances where this price is not within the bid-ask spread, Mackenzie determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. Mutual fund securities of an underlying fund are valued on a business day at the price calculated by the manager of such underlying fund in accordance with the constating documents of such underlying fund. Unlisted or non-exchange traded investments, or investments where a last sale or close price is unavailable or investments for which market quotations are, in Mackenzie's opinion, inaccurate, unreliable, or not reflective of all available material information, are valued at their fair value as determined by Mackenzie using appropriate and accepted industry valuation techniques including valuation models. The fair value determined using valuation models requires the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices. In limited circumstances, the fair value may be determined using valuation techniques that are not supported by observable market data.

Cash and cash equivalents which includes cash on deposit with financial institutions and short-term investments that are readily convertible to cash, are subject to an insignificant risk of changes in value, and are used by the Fund in the management of short-term commitments. Cash and cash equivalents are reported at fair value which closely approximates their amortized cost due to their nature of being highly liquid and having short terms to maturity. Bank overdraft positions are presented under current liabilities as bank indebtedness in the Statement of Financial Position.

The Fund may use derivatives (such as written options, futures, forward contracts, swaps or customized derivatives) to hedge against losses caused by changes in securities prices, interest rates or exchange rates. The Fund may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, to gain exposure to other currencies, to seek to generate additional income, and/or for any other purpose considered appropriate by the Fund's portfolio manager(s), provided that the use of the derivative is consistent with the Fund's investment objectives. Any use of derivatives will comply with Canadian mutual fund laws, subject to the regulatory exemptions granted to the Fund, as applicable.

Valuations of derivative instruments are carried out daily, using normal exchange reporting sources for exchange-traded derivatives and specific broker enquiry for over-the-counter derivatives.

The value of forward contracts is the gain or loss that would be realized if, on the valuation date, the positions were to be closed out. The change in value of forward contracts is included in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net unrealized gain (loss).

The value of futures contracts or swaps fluctuates daily, and cash settlements made daily, where applicable, by the Fund are equal to the change in unrealized gains or losses that are best determined at the settlement price. These unrealized gains or losses are recorded and reported as such until the Fund closes out the contract or the contract expires. Margin paid or deposited in respect of futures contracts or swaps is reflected as a receivable in the Statement of Financial Position – Margin on derivatives. Any change in the variation margin requirement is settled daily.

Premiums paid for purchasing an option are recorded in the Statement of Financial Position – Investments at fair value.

Premiums received from writing options are included in the Statement of Financial Position as a liability and subsequently adjusted daily to fair value. If a written option expires unexercised, the premium received is recognized as a realized gain. If a written call option is exercised, the difference between the proceeds of the sale plus the value of the premium, and the cost of the security is recognized as a realized gain or loss. If a written put option is exercised, the cost of the security acquired is the exercise price of the option less the premium received.

Refer to the Schedule of Derivative Instruments and Schedule of Options Purchased/Written, as applicable, included in the Schedule of Investments for a listing of derivative and options positions as at September 30, 2023.

The Fund categorizes the fair value of its assets and liabilities into three categories, which are differentiated based on the observable nature of the inputs and extent of estimation required.

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly. Examples of Level 2 valuations include quoted prices for similar securities, quoted prices on inactive markets and from recognized investment dealers, and the application of factors derived from observable data to non-North American quoted prices in order to estimate the impact of differences in market closing times.

Financial instruments classified as Level 2 investments are valued based on the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data and using standard market convention practices. Short-term investments classified as Level 2 investments are valued based on amortized cost plus accrued interest which closely approximates fair value.

The estimated fair values for these securities may be different from the values that would have been used had a ready market for the investment existed; and Level 3 – Inputs that are not based on observable market data.

The inputs are considered observable if they are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumption that market participants would use when pricing the asset or liability.

See Note 10 for the fair value classifications of the Fund.



# IG MACKENZIE EUROPEAN EQUITY FUND

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## NOTES TO FINANCIAL STATEMENTS

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

#### (c) Income recognition

Interest income for distribution purposes represents the coupon interest received by the Fund which is accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds, which are amortized on a straight-line basis. Dividends are accrued as of the ex-dividend date. Unrealized gains or losses on investments, realized gains or losses on the sale of investments, including foreign exchange gains or losses on such investments, are calculated on an average cost basis. Distributions received from an underlying fund are included in interest income, dividend income, realized gains (losses) on sale of investments or fee rebate income, as appropriate, on the ex-dividend or distribution date.

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

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

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

Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions is included in the Statement of Comprehensive Income and recognized when earned. Securities lending transactions are administered by The Bank of New York Mellon (the "Securities Lending Agent"). The value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased.

Note 10 summarizes the details of securities loaned and collateral received as at the end of period, as well as a reconciliation of securities lending income during the period, if applicable. Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments, and financial institutions.

#### (e) Commissions and other portfolio transaction costs

Commissions and other portfolio transaction costs are costs incurred to acquire, issue or dispose of financial assets or liabilities. They include fees and commissions paid to agents, exchanges, brokers, dealers and other intermediaries. The total brokerage commissions incurred by the Fund in connection with portfolio transactions for the periods, together with other transaction charges, is disclosed in the Statement of Comprehensive Income. Brokerage business is allocated to brokers based on the best net result for the Fund. Subject to this criteria, commissions may be paid to brokerage firms which provide (or pay for) certain services, other than order execution, which may include investment research, analysis and reports, and databases or software in support of these services. Where applicable and ascertainable, the value of these services generated during the periods is disclosed in Note 10. The value of certain proprietary services provided by brokers cannot be reasonably estimated.

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

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

#### (g) Currency

The functional and presentation currency of the Fund is Canadian dollars. Foreign currency purchases and sales of investments and foreign currency dividend and interest income and expenses are translated to Canadian dollars at the rate of exchange prevailing at the time of the transactions.

Foreign exchange gains (losses) on purchases and sales of foreign currencies are included in the Statement of Comprehensive Income – Net realized gain (loss).

The fair value of investments and other assets and liabilities, denominated in foreign currencies, are translated to Canadian dollars at the rate of exchange prevailing on each business day.

#### (h) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Fund enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statement of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. Note 10 summarizes the details of such offsetting, if applicable, subject to master netting arrangements or other similar agreements and the net impact to the Statement of Financial Position if all such rights were exercised.

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

#### (i) Net assets attributable to securityholders per security

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

#### (j) Net asset value per security

The daily Net Asset Value ("NAV") of an investment fund may be calculated without reference to IFRS as per the Canadian Securities Administrators' ("CSA") regulations. The difference between NAV and Net assets attributable to securityholders (as reported in the financial statements), if any, is mainly due to differences in fair value of investments and other financial assets and liabilities and is disclosed in Note 10.

#### (k) Mergers

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

# IG MACKENZIE EUROPEAN EQUITY FUND

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## NOTES TO FINANCIAL STATEMENTS

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

#### (l) Future accounting changes

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

### 4. Critical Accounting Estimates and Judgments

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

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

#### Use of Estimates

##### *Fair value of securities not quoted in an active market*

The Fund may hold financial instruments that are not quoted in active markets and are valued using valuation techniques that make use of observable data, to the extent practicable. Various valuation techniques are utilized, depending on a number of factors, including comparison with similar instruments for which observable market prices exist and recent arm's length market transactions. Key inputs and assumptions used are company specific and may include estimated discount rates and expected price volatilities. Changes in key inputs, could affect the reported fair value of these financial instruments held by the Fund.

#### Use of Judgements

##### *Classification and measurement of investments*

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9. The Manager has assessed the Fund's business model, the manner in which all financial instruments are managed and performance evaluated as a group on a fair value basis, and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Fund's financial instruments.

##### *Functional currency*

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

##### *Interest in unconsolidated structured entities*

In determining whether an unlisted open-ended investment fund or an exchange-traded fund in which the Fund invests ("Underlying Funds"), but that it does not consolidate, meets the definition of a structured entity, the Manager is required to make significant judgments about whether these underlying funds have the typical characteristics of a structured entity. These Underlying Funds do meet the definition of a structured entity because:

- I. The voting rights in the Underlying Funds are not dominant factors in deciding who controls them;
- II. the activities of the Underlying Funds are restricted by their offering documents; and
- III. the Underlying Funds have narrow and well-defined investment objectives to provide investment opportunities for investors while passing on the associated risks and rewards.

As a result, such investments are accounted for at FVTPL. Note 10 summarizes the details of the Funds' interest in these Underlying Funds, if applicable.

### 5. Income Taxes

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains in the taxation year, which is not paid or payable to its securityholders as at the end of the taxation year. The Fund maintains a December year-end for tax purposes. The Fund may be subject to withholding taxes on foreign income. In general, the Fund treats withholding tax as a charge against income for tax purposes. The Fund will distribute sufficient amounts from net income for tax purposes, as required, so that the Fund will not pay income taxes other than refundable tax on capital gains, if applicable.

Losses of the Fund cannot be allocated to investors and are retained in the Fund for use in future years. Non-capital losses may be carried forward up to 20 years to reduce taxable income and realized capital gains of future years. Capital losses may be carried forward indefinitely to reduce future realized capital gains. Refer to Note 10 for the Fund's loss carryforwards.

### 6. Management Fees and Other Expenses

- (a) Each series of the Fund will incur expenses that can be specifically attributed to that series. Common expenses of the Fund are allocated across the series of the Fund on a pro rata basis.
- (b) The Manager provides or arranges for the provision of investment and advisory services for a management fee. See Note 10 for the annual rates paid (as a percent of average assets) by the Fund.
- (c) The Fund pays the Manager an administration fee and in return the Manager will bear the operating expenses of the Fund, other than certain specified costs. See Note 10 for the annual rates paid (as a percent of average assets) by the Fund.

Other Fund costs include taxes (including but not limited to GST/HST and income tax), transaction costs related to the purchase and sale of investments and derivatives, interest and borrowing costs, and Independent Review Committee ("IRC") costs.

# IG MACKENZIE EUROPEAN EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

## NOTES TO FINANCIAL STATEMENTS

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

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

### 7. Fund's Capital

The capital of the Fund, which is comprised of the net assets attributable to securityholders, is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at September 30, 2023 and 2022 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 September 30, 2023, grouped by asset type, with geographic and sector information.

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

#### (b) Liquidity risk

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

#### (c) Currency risk

Currency risk is the risk that financial instruments which are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's functional currency, will fluctuate due to changes in exchange rates. Generally, foreign denominated investments increase in value when the value of the Canadian dollar (relative to foreign currencies) falls. Conversely, when the value of the Canadian dollar rises relative to foreign currencies, the values of foreign denominated investments fall.

Note 10 indicates the foreign currencies, if applicable, to which the Fund had significant exposure, including both monetary and non-monetary financial instruments, and illustrates the potential impact, in Canadian dollar terms, to the Fund's net assets had the Canadian dollar strengthened or weakened by 5% relative to all foreign currencies, all other variables held constant. In practice, the actual trading results may differ and the difference could be material.

The Fund's sensitivity to currency risk illustrated in Note 10 includes potential indirect impacts from Underlying Funds and ETFs in which the Fund invests, and/or derivative contracts including forward currency contracts. Other financial assets and liabilities (including dividends and interest receivable, and receivables/payables for investments sold/purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.

# IG MACKENZIE EUROPEAN EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

## NOTES TO FINANCIAL STATEMENTS

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

#### (d) Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Generally, these securities increase in value when interest rates fall and decrease in value when interest rates rise.

If significant, Note 10 summarizes the Fund's interest-bearing financial instruments by remaining term to maturity and illustrates the potential impact to the Fund's net assets had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, all other variables held constant.

The Fund's sensitivity to interest rate changes was estimated using weighted average duration, and a valuation model that estimates the impact to the fair value of mortgages based on changes in prevailing interest rates in a manner consistent with the valuation policy for mortgages. In practice, the actual trading results may differ and the difference could be material.

The Fund's sensitivity to interest rate risk illustrated in Note 10 includes potential indirect impacts from Underlying Funds and ETFs in which the Fund invests, and/or derivative contracts. Cash and cash equivalents and other money market instruments are short term in nature and are not generally subject to significant amounts of interest rate risk.

#### (e) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. Note 10 summarizes the Fund's exposure, if applicable and significant, to credit risk. If presented, credit ratings and rating categories are based on ratings issued by a designated rating organization. Indirect exposure to credit risk may arise from fixed-income securities, such as bonds, held by the Underlying Funds and ETFs, if any. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

To minimize the possibility of settlement default, securities are exchanged for payment simultaneously, where market practices permit, through the facilities of a central depository and/or clearing agency where customary. The carrying amount of investments and other assets represents the maximum credit risk exposure as at the date of the Statement of Financial Position.

The Fund may enter into securities lending transactions with counterparties and it may also be exposed to credit risk from the counterparties to the derivative instruments it may use. Credit risk associated with these transactions is considered minimal as all counterparties have a rating equivalent to a designated rating organization's credit rating of not less than A-1 (low) on their short-term debt and of A on their long-term debt, as applicable.

#### (f) Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or other factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. The Manager manages this risk through a careful selection of securities and other financial instruments within the parameters of the investment strategies. Except for certain derivative contracts, the maximum risk resulting from financial instruments is equivalent to their fair value. The maximum risk of loss on certain derivative contracts such as forwards, swaps and futures contracts is equal to their notional values. In the case of written call (put) options and futures contracts sold short, the maximum loss to the Fund increases, theoretically without limit, as the fair value of the underlying security increases (decreases). However, these instruments are generally used within the overall investment management process to manage the risk from the underlying investments and do not typically increase the overall risk of loss to the Fund. This risk is mitigated by ensuring that the Fund holds a combination of the underlying interest, cash cover and/or margin that is equal to or greater than the value of the derivative contract.

Other price risk typically arises from exposure to equity and commodity securities. If significant, Note 10 illustrates the potential increase or decrease in the Fund's net assets, had the prices on the respective exchanges for these securities increased or decreased by 10%, all other variables held constant. In practice, the actual trading results may differ and the difference could be material.

The Fund's sensitivity to other price risk illustrated in Note 10 includes potential indirect impacts from Underlying Funds and ETFs in which the Fund invests, and/or derivative contracts.

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

#### (g) Underlying funds

The Fund may invest in underlying funds and may be indirectly exposed to currency risk, interest rate risk, other price risk and credit risk from fluctuations in the value of financial instruments held by the underlying funds. Note 10 summarizes the Fund's exposure, if applicable and significant, to these risks from underlying funds.

# IG MACKENZIE EUROPEAN EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

## NOTES TO FINANCIAL STATEMENTS

### 9. Other Information

#### (a) Abbreviations

Foreign currencies, if any, are presented in these financial statements using the following abbreviated currency codes:

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

#### (b) Additional information available

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

# IG MACKENZIE EUROPEAN EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

## NOTES TO FINANCIAL STATEMENTS

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

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

Series	Inception/ Reinstatement Date	Management fee (%)	Service fee (%)	Administration fee (%)	Trustee fee (%)
Series A	n/a	1.90	0.30	0.18	0.05
Series B	n/a	1.90	0.30	0.18	0.05
Series C	n/a	1.95	up to 0.50	0.18	0.05
Series F	07/12/2013	0.80	–	0.18	0.05
Series J DSC	n/a	1.65	0.30	0.18	0.05
Series J NL	n/a	1.65	0.30	0.18	0.05
Series R	n/a	–	–	–	–
Series S	n/a	1.70	–	0.10	0.05

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

Inception dates of the series are shown if within 10½ years.

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

Series A, C, 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.

#### (b) Tax Loss Carryforwards

#### Expiration Date of Non-Capital Losses

Total Capital Loss \$	Total Non-Capital Loss \$	2029 \$	2030 \$	2031 \$	2032 \$	2033 \$	2034 \$	2035 \$	2036 \$	2037 \$	2038 \$	2039 \$	2040 \$	2041 \$	2042 \$
285,751	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

#### (c) Securities Lending

	September 30, 2023		March 31, 2023	
	(\$)	(%)	(\$)	(%)
Value of securities loaned	65,617	100.0	22,724	100.0
Value of collateral received	69,877	100.0	24,267	100.0

  

	September 30, 2023		September 30, 2022	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	392	100.0	424	100.0
Tax withheld	(3)	(0.8)	–	–
	389	99.2	424	100.0
Payments to Securities Lending Agent	(70)	(17.8)	(76)	(18.0)
Securities lending income	319	81.4	348	82.0

#### (d) Commissions

	(\$)
September 30, 2023	501
September 30, 2022	430

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

##### i. Risk exposure and management

The Fund aims to provide long-term growth by investing primarily in the common shares of European corporations.

# IG MACKENZIE EUROPEAN EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

## NOTES TO FINANCIAL STATEMENTS

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

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

##### ii. Currency risk

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

September 30, 2023								
Currency	Investments (\$)	Cash and Cash Equivalents (\$)	Derivative Instruments (\$)	Net Exposure (\$)	Impact on net assets			
					Strengthened by 5%		Weakened by 5%	
					(\$)	%	(\$)	%
EUR	1,150,930	14,627	–	1,165,557				
GBP	415,250	788	–	416,038				
CHF	340,051	2,221	–	342,272				
DKK	119,586	1,985	–	121,571				
SEK	52,606	–	–	52,606				
USD	–	24,709	–	24,709				
NOK	3,186	–	–	3,186				
Total	2,081,609	44,330	–	2,125,939				
% of Net Assets	97.0	2.1	–	99.1				
Total currency rate sensitivity					(106,297)	(5.0)	106,297	5.0

March 31, 2023								
Currency	Investments (\$)	Cash and Cash Equivalents (\$)	Derivative Instruments (\$)	Net Exposure (\$)	Impact on net assets			
					Strengthened by 5%		Weakened by 5%	
					(\$)	%	(\$)	%
EUR	1,345,294	927	–	1,346,221				
GBP	341,794	(1,755)	–	340,039				
CHF	307,761	(90)	–	307,671				
DKK	102,870	–	–	102,870				
SEK	70,405	–	–	70,405				
NOK	39,055	–	–	39,055				
USD	21,125	840	–	21,965				
Total	2,228,304	(78)	–	2,228,226				
% of Net Assets	99.7	–	–	99.7				
Total currency rate sensitivity					(111,411)	(5.0)	111,411	5.0

##### iii. Interest rate risk

As at September 30, 2023 and March 31, 2023, the Fund did not have a significant exposure to interest rate risk.

##### iv. Other price risk

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

Impact on net assets	Increased by 10%		Decreased by 10%	
	(\$)	(%)	(\$)	(%)
September 30, 2023	208,161	9.7	(208,161)	(9.7)
March 31, 2023	222,830	10.0	(222,830)	(10.0)

##### v. Credit risk

As at September 30, 2023 and March 31, 2023, the Fund did not have a significant exposure to credit risk.

# IG MACKENZIE EUROPEAN EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2023

## NOTES TO FINANCIAL STATEMENTS

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

#### (f) Fair Value Classification

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

	September 30, 2023				March 31, 2023			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	–	2,081,609	–	2,081,609	21,125	2,207,179	–	2,228,304
Short-term investments	–	42,110	–	42,110	–	–	–	–
Total	–	2,123,719	–	2,123,719	21,125	2,207,179	–	2,228,304

The Fund's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

During the period ended September 30, 2023, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at September 30, 2023, these securities were classified as Level 2 (March 31, 2023 – Level 2).

During the period ended September 30, 2023, equities with a fair value of \$Nil (March 31, 2023 – \$10,877) were transferred from Level 1 to Level 2 as a result of changes in the inputs used for valuation.

#### (g) Manager's Investment in the Fund

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

	September 30, 2023	March 31, 2023
	(\$)	(\$)
The Manager	–	–
Other funds managed by the Manager	1,717,913	1,810,849

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

As at September 30, 2023 and March 31, 2023, there were no amounts subject to offsetting.

#### (i) Interest in Unconsolidated Structured Entities

As at September 30, 2023 and March 31, 2023, the Fund had no investments in Underlying Funds.

#### (j) Fund Merger

On February 16, 2023, the IG Wealth Management Funds Independent Review Committee approved a proposal to wind up Investors Group Corporate Class Inc. because it was in a taxable position. As a result of this wind-up, IG Mackenzie European Equity Class (the "Terminating Fund") merged into the Fund, which has a substantially similar investment objective and is managed by the same sub-advisor. This merger took place on a tax-deferred basis on May 19, 2023, and \$40,904 flowed into the Fund as a result.

The merger was effected by transferring the net assets of the Terminating Fund of \$40,904, which was the fair value on May 19, 2023, in exchange for the securities of the Fund at fair market value, as follows:

Terminating Fund's Series	Fund's Series	Securities Issued
Series A	Series A	129
Series B	Series B	21
Series F	Series F	2,217
Series J DSC	Series J DSC	86
Series J NL	Series J NL	13

Following the merger, the Terminating Fund was terminated. All costs and expenses associated with the merger were borne by the Manager. The Manager does not consider this merger to be a material change for the Fund's investors.