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# IG Putnam U.S. Growth Fund II

(Until June 8, 2020, known as IG AGF U.S. Growth Fund)

## **Interim Financial Report**

FOR THE SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2020

The accompanying interim financial statements have not been reviewed by the external auditors of the Fund. The external auditors will be auditing the annual financial statements of the Fund as at March 31, 2021, in accordance with Canadian generally accepted auditing standards.

# IG Putnam U.S. Growth Fund II

INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

## STATEMENTS OF FINANCIAL POSITION

at September 30, 2020 (unaudited) with comparative figures at March 31, 2020  
(in \$ 000 except per security amounts)

	Sep. 30	Mar. 31
	2020	2020
<b>Assets</b>		
<b>Current assets:</b>		
Non-derivative investments	340,090	252,583
Cash and cash equivalents	2,583	21,471
Accrued interest receivable	-	-
Dividends receivable	54	-
Accounts receivable for investments sold	-	-
Accounts receivable for securities issued	-	-
Accounts receivable from the Manager	-	-
Margin on derivative contracts	-	-
Derivative assets	-	-
Other assets	-	-
	342,727	274,054
<b>Non-current assets:</b>		
Taxes recoverable	-	-
Other assets	-	-
	-	-
<b>Total assets</b>	342,727	274,054
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Bank indebtedness	-	-
Accounts payable for investments purchased	-	2,123
Accounts payable for securities redeemed	-	-
Distributions payable	-	-
Accrued expenses and miscellaneous payables	19	16
Dividends payable on investments sold short	-	-
Derivative liabilities	134	-
Taxes payable	-	-
Other liabilities	14	16
<b>Total liabilities</b>	167	2,155
<b>Net assets attributable to securityholders</b>	342,560	271,899

## STATEMENTS OF COMPREHENSIVE INCOME

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

	2020	2019
<b>Income:</b>		
<b>Gains (losses) on derivative and non-derivative investments:</b>		
Dividends	812	1,315
Interest income	5	222
Net realized gain (loss)	62,585	4,712
Net unrealized gain (loss)	25,940	(7,154)
Income (loss) from derivatives	37	-
Income (loss) from short selling	-	-
Other	-	-
<b>Net gain (loss) on derivative and non-derivative investments</b>	89,379	(905)
Securities lending income	10	13
Other	-	-
<b>Total income</b>	89,389	(892)
<b>Expenses:</b>		
Management fees	2,713	3,010
Management fee rebates	(7)	(9)
Service fees	392	451
Service fee rebates	(94)	(104)
Administration fees	320	333
Trustee fees	89	92
Commissions and other portfolio transaction costs	61	35
Independent Review Committee costs	-	-
Other	4	3
<b>Expenses before amounts absorbed by Manager</b>	3,478	3,811
Expenses absorbed by Manager	-	-
<b>Net expenses</b>	3,478	3,811
<b>Increase (decrease) in net assets attributable to securityholders</b>		
<b>from operations before tax</b>	85,911	(4,703)
Foreign withholding taxes paid (recovered)	114	197
Foreign income taxes paid (recovered)	-	-
Income tax paid (recovered)	-	-
<b>Increase (decrease) in net assets attributable to securityholders</b>		
<b>from operations</b>	85,797	(4,900)

	Net assets attributable to securityholders			
	per security		per series	
	Sep. 30	Mar. 31	Sep. 30	Mar. 31
	2020	2020	2020	2020
Series A	19.88	15.10	87,849	79,987
Series B	19.52	14.82	37,704	32,546
Series C	19.22	14.61	43,296	36,315
Series J DSC	35.85	27.18	53,038	47,094
Series J NL	35.69	27.07	13,537	11,502
Series U	31.89	24.03	107,136	64,455
			342,560	271,899

	Increase (decrease) in net assets attributable to securityholders from operations			
	per security		per series	
	2020	2019	2020	2019
Series A	4.77	(0.29)	24,053	(1,767)
Series B	4.69	(0.28)	10,035	(668)
Series C	4.65	(0.26)	11,243	(700)
Series J DSC	8.66	(0.48)	14,326	(898)
Series J NL	8.62	(0.48)	3,635	(209)
Series U	7.86	(0.27)	22,505	(658)
			85,797	(4,900)

See accompanying notes.

# IG Putnam U.S. Growth Fund II

INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

## STATEMENTS OF CHANGES IN FINANCIAL POSITION

for the six-month periods ended September 30 (unaudited) (in \$ 000 except when stated)

	TOTAL		SERIES A		SERIES B		SERIES C	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>Net assets attributable to securityholders, beginning of period</b>	271,899	348,460	79,987	110,068	32,546	39,384	36,315	45,977
Increase (decrease) in net assets attributable to securityholders resulting from:								
<b>Operations</b>	85,797	(4,900)	24,053	(1,767)	10,035	(668)	11,243	(700)
<b>Distributions:</b>								
Income	-	-	-	-	-	-	-	-
Capital gains	-	-	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-	-	-
Management fee rebates	(7)	(9)	-	-	-	-	-	-
Service fee rebates	(94)	(104)	-	-	-	-	(94)	(104)
<b>Total distributions</b>	(101)	(113)	-	-	-	-	(94)	(104)
<b>Security transactions:</b>								
Proceeds from sale of securities	35,002	19,258	636	2,096	3,285	4,019	253	748
Proceeds from securities issued on merger	-	-	-	-	-	-	-	-
Reinvested from distributions	105	108	-	-	-	-	98	99
Payment on redemption of securities	(50,142)	(60,191)	(16,827)	(15,327)	(8,162)	(7,677)	(4,519)	(5,435)
<b>Total security transactions</b>	(15,035)	(40,825)	(16,191)	(13,231)	(4,877)	(3,658)	(4,168)	(4,588)
<b>Increase (decrease) in assets attributable to securityholders</b>	70,661	(45,838)	7,862	(14,998)	5,158	(4,326)	6,981	(5,392)
<b>Net assets attributable to securityholders, end of period</b>	342,560	302,622	87,849	95,070	37,704	35,058	43,296	40,585
<b>Increase (decrease) in securities outstanding (in thousands):</b>								
<b>Securities outstanding, beginning of period</b>			5,299	7,254	2,196	2,643	2,486	3,125
Add (deduct):								
Securities sold			36	136	191	266	15	50
Securities issued on merger			-	-	-	-	-	-
Reinvested from distributions			-	-	-	-	6	7
Securities redeemed			(916)	(1,001)	(455)	(509)	(254)	(366)
<b>Securities outstanding, end of period</b>			4,419	6,389	1,932	2,400	2,253	2,816

	SERIES J DSC		SERIES J NL		SERIES U	
	2020	2019	2020	2019	2020	2019
<b>Net assets attributable to securityholders, beginning of period</b>	47,094	72,620	11,502	15,576	64,455	64,835
Increase (decrease) in net assets attributable to securityholders resulting from:						
<b>Operations</b>	14,326	(898)	3,635	(209)	22,505	(658)
<b>Distributions:</b>						
Income	-	-	-	-	-	-
Capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Management fee rebates	(6)	(8)	(1)	(1)	-	-
Service fee rebates	-	-	-	-	-	-
<b>Total distributions</b>	(6)	(8)	(1)	(1)	-	-
<b>Security transactions:</b>						
Proceeds from sale of securities	1,826	1,740	1,241	1,406	27,761	9,249
Proceeds from securities issued on merger	-	-	-	-	-	-
Reinvested from distributions	6	8	1	1	-	-
Payment on redemption of securities	(10,208)	(14,366)	(2,841)	(3,944)	(7,585)	(13,442)
<b>Total security transactions</b>	(8,376)	(12,618)	(1,599)	(2,537)	20,176	(4,193)
<b>Increase (decrease) in assets attributable to securityholders</b>	5,944	(13,524)	2,035	(2,747)	42,681	(4,851)
<b>Net assets attributable to securityholders, end of period</b>	53,038	59,096	13,537	12,829	107,136	59,984
<b>Increase (decrease) in securities outstanding (in thousands):</b>						
<b>Securities outstanding, beginning of period</b>	1,732	2,665	425	574	2,682	2,725
Add (deduct):						
Securities sold	57	63	39	51	937	382
Securities issued on merger	-	-	-	-	-	-
Reinvested from distributions	-	-	-	-	-	-
Securities redeemed	(309)	(520)	(85)	(144)	(260)	(555)
<b>Securities outstanding, end of period</b>	1,480	2,208	379	481	3,359	2,552

See accompanying notes.

# IG Putnam U.S. Growth Fund II

INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

## STATEMENTS OF CASH FLOWS

for the six-month periods ended September 30 (unaudited) (in \$ 000 except when stated)

	2020	2019
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to securityholders from operations	85,797	(4,900)
<b>Less non-cash impact of:</b>		
Net realized (gain) loss	(62,585)	(4,712)
Change in net unrealized (gain) loss	(25,940)	7,154
<b>Adjustments for:</b>		
Proceeds from sale and maturity of investments	340,539	77,939
Purchases of investments	(341,575)	(46,645)
(Increase) decrease in accounts receivable and other assets	(54)	31
Increase (decrease) in accounts payable and other liabilities	1	(38)
<b>Net cash provided by (used in) operating activities</b>	<b>(3,817)</b>	<b>28,829</b>
<b>Cash flows from financing activities:</b>		
Proceeds from securities issued	12,156	11,212
Proceeds from securities issued on merger	-	-
Payments on redemption of securities	(27,296)	(52,146)
Distributions paid net of reinvestments	4	(5)
<b>Net cash provided by (used in) financing activities</b>	<b>(15,136)</b>	<b>(40,939)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(18,953)</b>	<b>(12,110)</b>
Cash and cash equivalents at beginning of period	21,471	31,056
Effect of exchange rate fluctuations on cash and cash equivalents	65	118
<b>Cash and cash equivalents, end of period</b>	<b>2,583</b>	<b>19,064</b>
Cash	2,317	401
Cash equivalents	266	18,663
Bank indebtedness	-	-
	2,583	19,064
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received net of withholding taxes	644	1,145
Interest received net of withholding taxes	5	226
Interest paid	-	-

See accompanying notes.

# IG Putnam U.S. Growth Fund II

INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

## SCHEDULE OF INVESTMENTS

as at September 30, 2020 (unaudited)

	Country	Sector	No. of Units, Shares, or Par Value	Cost (CAD\$ 000)	Fair Value (CAD\$ 000)
<b>EQUITIES</b>					
Adobe Systems Inc.	United States	Information Technology	13,843	5,298	9,039
Advanced Micro Devices Inc.	United States	Information Technology	30,698	3,401	3,351
AIA Group Ltd.	Hong Kong	Financials	159,200	1,908	2,088
Alibaba Group Holding Ltd.	China	Consumer Discretionary	36,368	1,343	1,790
Alibaba Group Holding Ltd. ADR	China	Consumer Discretionary	4,546	1,343	1,779
Alphabet Inc. Class C	United States	Communication Services	7,402	14,285	14,482
Amazon.com Inc.	United States	Consumer Discretionary	6,785	7,859	28,443
American Tower Corp. Class A	United States	Real Estate	17,200	6,086	5,535
Apple Inc.	United States	Information Technology	213,760	23,185	32,958
Avalara Inc.	United States	Information Technology	16,696	2,956	2,831
Booking Holdings Inc.	United States	Consumer Discretionary	1,495	3,575	3,405
Charter Communications Inc. Class A	United States	Communication Services	7,694	5,682	6,395
Chipotle Mexican Grill Inc.	United States	Consumer Discretionary	1,858	2,639	3,077
CoStar Group Inc.	United States	Industrials	4,791	3,950	5,412
Danaher Corp.	United States	Health Care	22,133	4,946	6,345
DexCom Inc.	United States	Health Care	7,965	4,055	4,371
DocuSign Inc.	United States	Information Technology	10,283	1,157	2,947
Dynatrace Inc.	United States	Information Technology	48,577	2,663	2,653
Edenred	France	Information Technology	27,824	1,624	1,662
Eli Lilly and Co.	United States	Health Care	28,898	6,381	5,695
The Estee Lauder Companies Inc. Class A	United States	Consumer Staples	15,949	4,360	4,634
Everbridge Inc.	United States	Information Technology	10,997	2,152	1,841
Facebook Inc.	United States	Communication Services	25,343	7,922	8,837
FedEx Corp.	United States	Industrials	8,887	2,510	2,976
Fidelity National Information Services Inc.	United States	Information Technology	19,074	3,580	3,738
The Home Depot Inc.	United States	Consumer Discretionary	14,706	4,973	5,437
IDEXX Laboratories Inc.	United States	Health Care	11,793	4,989	6,172
Linde PLC	Ireland	Materials	5,262	1,466	1,668
Live Nation Entertainment Inc.	United States	Communication Services	23,754	1,662	1,704
London Stock Exchange Group PLC	United Kingdom	Financials	16,962	2,363	2,585
Lonza Group AG	Switzerland	Health Care	5,210	3,462	4,281
Lululemon Athletica Inc.	United States	Consumer Discretionary	7,565	3,160	3,317
Mastercard Inc. Class A	United States	Information Technology	20,543	8,490	9,249
Microsoft Corp.	United States	Information Technology	120,158	29,661	33,647
Netflix Inc.	United States	Communication Services	1,616	947	1,076
Nike Inc. Class B	United States	Consumer Discretionary	46,259	6,257	7,732
Northrop Grumman Corp.	United States	Industrials	8,687	3,898	3,649
NVIDIA Corp.	United States	Information Technology	12,263	3,929	8,836
PayPal Holdings Inc.	United States	Information Technology	43,800	9,252	11,489
Regeneron Pharmaceuticals Inc.	United States	Health Care	4,248	3,507	3,166
Roper Technologies Inc.	United States	Industrials	2,885	1,531	1,518
S&P Global Inc.	United States	Financials	10,306	4,544	4,948
Salesforce.com Inc.	United States	Information Technology	21,394	5,043	7,158
SBA Communications Corp. Class A	United States	Real Estate	8,049	3,433	3,413
Sea Ltd.	United States	Communication Services	4,075	867	836
Seattle Genetics Inc.	United States	Health Care	13,597	2,911	3,542
ServiceNow Inc.	United States	Information Technology	3,952	2,517	2,552
The Sherwin-Williams Co.	United States	Materials	4,093	3,285	3,797
Snowflake Inc.	United States	Information Technology	3,323	606	1,110
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	Taiwan	Information Technology	19,208	2,094	2,073
Tesla Inc.	United States	Consumer Discretionary	8,229	3,389	4,700
Texas Instruments Inc.	United States	Information Technology	18,191	2,968	3,458
Union Pacific Corp.	United States	Industrials	13,651	3,171	3,578
UnitedHealth Group Inc.	United States	Health Care	18,959	5,149	7,869
Vertex Pharmaceuticals Inc.	United States	Health Care	12,232	4,666	4,431
Visa Inc. Class A	United States	Information Technology	36,276	9,625	9,658
Wal-Mart Stores Inc.	United States	Consumer Staples	12,907	2,188	2,404
Waste Connections Inc.	Canada	Industrials	19,919	2,564	2,753
				273,427	340,090
<b>COMMISSIONS AND OTHER PORTFOLIO TRANSACTION COSTS</b>				(30)	-
<b>TOTAL NON-DERIVATIVE INVESTMENTS</b>				273,397	340,090
<b>Net Assets (see asset composition):</b>					
Total non-derivative investments					340,090
Cash and cash equivalents					2,583
Derivative liabilities (see schedule of derivative instruments)					(134)
Other net assets (liabilities)					21
					342,560

# IG Putnam U.S. Growth Fund II

INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

## Schedule of Asset Composition

as at September 30, 2020 (unaudited)

as at March 31, 2020

	% of net assets
<b>PORTFOLIO ALLOCATION</b>	
Equities	99.3
Cash and cash equivalents	0.7
Other net assets (liabilities)	-
<b>Total</b>	<b>100.0</b>
<b>COUNTRY ALLOCATION</b>	
United States	93.2
Other	6.1
	<b>99.3</b>
<b>SECTOR ALLOCATION</b>	
Information Technology	43.9
Consumer Discretionary	17.4
Health Care	13.4
Communication Services	9.7
Industrials	5.8
Financials	2.8
Real Estate	2.6
Consumer Staples	2.1
Materials	1.6
	<b>99.3</b>

	% of net assets
<b>PORTFOLIO ALLOCATION</b>	
Equities	92.9
Cash and cash equivalents	7.9
Other net assets (liabilities)	(0.8)
<b>Total</b>	<b>100.0</b>
<b>COUNTRY ALLOCATION</b>	
United States	87.6
Other	5.3
	<b>92.9</b>
<b>SECTOR ALLOCATION</b>	
Information Technology	28.0
Consumer Discretionary	14.8
Industrials	14.2
Communication Services	10.4
Health Care	10.1
Financials	7.5
Real Estate	4.6
Consumer Staples	3.3
	<b>92.9</b>

## Schedule of Derivative Instruments

as at September 30, 2020 (unaudited)

### Schedule of Total Return Swaps

Counterparty credit rating	No. of contracts	Maturity date	Fund pays return on:	Fund receives return on:	Notional value (CAD\$ 000)	Unrealized gains (CAD\$ 000)	Unrealized losses (CAD\$ 000)
A+	1	12-15-2025	ICE LIBOR USD 1 month	GS U.S. Global Health Risk Index	17,774	-	(134)
<b>TOTAL DERIVATIVE ASSETS</b>							-
<b>TOTAL DERIVATIVE LIABILITIES</b>							(134)

**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.

**(b) Financial periods**

The Statements of Financial Position are presented as at September 30, 2020 and March 31, 2020. The Statements of Comprehensive Income, Statements of Changes in Financial Position and Statements of Cash Flows are for the 6-month periods ended September 30, 2020 and 2019. The Schedule of Investments is presented as at September 30, 2020. Where a Fund or series of a Fund was established during either period, the information for the Fund or series is provided from inception date. 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.

**(c) 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, 2020. A summary of the Fund's significant accounting policies under IFRS is presented in Note 3.

These financial statements are presented in Canadian dollars, which is the Fund's functional currency, and rounded to the nearest thousand unless otherwise indicated. These financial statements are prepared on a going concern basis using the historical cost basis, except for financial assets and liabilities that have been measured at fair value.

These financial statements were authorized for issue by the Manager on November 12, 2020. Standards issued but not yet effective for the current accounting year are described in Note 3.

**3. SIGNIFICANT ACCOUNTING POLICIES****(a) Financial instruments**

The Fund classifies and measures financial instruments in accordance with IFRS 9 Financial Instruments (IFRS 9). Upon initial recognition, financial instruments are classified as fair value through profit or loss (FVTPL). All financial assets and liabilities are recognized in the Statement of Financial Position when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. 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 (cost) is based on the weighted average cost of investments and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income. Realized gains and losses on disposition, including foreign exchange gains or losses on such investments, are determined based on the 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 period in which they arise. Gains and losses realized on certain derivatives, including interest rate and currency swaps, and futures are reported as Income (loss) from derivatives within the Statement of Comprehensive Income.

The Fund accounts for its holdings in unlisted open-ended investment funds (Underlying Funds) and Exchange Traded Funds (ETFs) at FVTPL. The Fund has concluded that the Underlying Funds and ETFs in which it invests do not meet the definition of structured entities. The Fund's investment in Underlying Funds and ETFs, if any, is presented in the Schedule of Investments at fair value which represents the Fund's maximum exposure on these investments.

**(b) Fair value measurement**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fund's valuation policies are as follows:

**(i) Equity securities, fixed-income securities and other investment funds**

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

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

Fair value of fixed-income securities includes consideration of the creditworthiness of the issuer.

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

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

**(ii) Futures and swaps contracts**

Futures and swaps contracts are valued at the gain or loss that would be realized upon closure of the contract. The values for such contracts fluctuate and are best determined at the settlement price established each day by the board of trade or exchange on which the contracts are traded.

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

**(iii) Forward contracts**

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

**(iv) Options contracts**

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

**(c) Cash and cash equivalents**

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

**(d) Currency**

All amounts are expressed in Canadian dollars. Foreign currency amounts have been expressed in Canadian dollars on the following bases:

(i) Fair value of investments and other assets and liabilities at the rate of exchange at the end of the periods.

(ii) Income, expenses, purchases and sales of investments at the rate of exchange on the dates of such transactions.

**(e) Income recognition**

Interest income from interest bearing investments is recognized using the effective interest method. Dividends are accrued as of the ex-dividend date. Dividend income and distributions from open-ended investment funds are recognized when the Fund's right to receive payment is established which is typically on the ex-dividend or distribution date. Distributions received from income trusts and open-ended investment funds are included in interest income, dividend income or capital gains, as appropriate, based on the best information available to the Manager. Due to the nature of these investments, actual allocations could vary from this information.

**(f) Securities lending and repurchase transactions**

The Fund may be 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 deliver 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 recognized on the accrual basis and included in the Statement of Comprehensive Income. Securities lending transactions are administered by The Bank of New York Mellon (the Securities Lending Agent). All the counterparties have a sufficient, approved credit rating based on ratings provided by external credit rating agencies, and 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. The value of securities loaned and collateral received from securities lending as of the end of the periods, if applicable, is disclosed in Note 12. Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments, and financial institutions.

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(g) Redeemable securities**

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. These redeemable securities 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 securityholders is measured at FVTPL, with fair value being the redemption amount as of the reporting date. The fair value of net assets presented in the financial statements is consistent with the net asset values calculated in accordance with securities regulations for the purchase and redemption of the Fund's redeemable securities.

**(h) Commissions and other portfolio transaction costs**

Commissions and other portfolio transaction costs are costs incurred to acquire, dispose or otherwise transact financial assets or liabilities. They include fees and commissions paid to agents, exchanges, brokers and dealers, and other intermediaries.

**(i) Increase (decrease) in net assets attributable to securityholders from operations**

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

**(j) 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 12 presents the amounts, if any, subject to master netting arrangements or other similar agreements and the net impact to the Statements of Financial Position if all such rights were exercised.

**(k) Mergers**

The Fund applies the acquisition method of accounting for Fund mergers. Under this method, one of the Funds in each merger is identified as the acquiring Fund, and is referred to as the Continuing Fund, and the other Fund involved in the merger is referred to as the Terminated Fund. This identification is based on the comparison of the relative net asset values of the Funds as well as consideration of the continuation of such aspects of the Continuing Fund as: investment advisors; investment objectives and practices; type of portfolio securities; and management fees and expenses.

**(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. 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 period. 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 duration and long-term impact of the novel coronavirus (COVID-19) pandemic on businesses and markets, and the extent of additional economic relief measures which may be offered by some governments and central banks, are unknown at the reporting date. The Manager uses judgment in assessing the impact from such events on the assumptions and estimates applied in reporting the assets and liabilities in the Fund's financial statements at September 30, 2020. However, this uncertainty means it is impossible to reliably estimate the impact on the financial results and position of the Fund in future periods.

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 securities 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) Estimations of fair value**

The Fund may, from time to time, hold investments that are not quoted in active markets, such as unlisted securities or private securities. To estimate fair value, the Manager uses valuation techniques that make use of observable data, to the extent practicable. The Fund categorizes the fair value of its assets and liabilities into three categories, which are differentiated based on the observable nature of the inputs and extent of estimation required.

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

**Level 2** – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly. Examples of Level 2 valuations include quoted prices for similar securities, quoted prices on inactive markets and from recognized investment dealers, and the application of factors derived from observable data to non-North American quoted prices in order to estimate the impact of differences in market closing times. The estimated fair values for these securities may be different from the values that would have been used had a ready market for the investment existed.

**Level 3** – Inputs that are not based on observable market data. Various valuation techniques are utilized, depending on each situation. These methods and procedures may include, but are not limited to, performing comparisons with prices of comparable or similar securities, obtaining relevant information from issuers and/or other analytical data relating to the investment, and recent arm's length transactions. Key inputs and assumptions used are usually security specific and may include estimated discount rates, credit risk, volatility, correlations, and future cash flows. Changes in key inputs and assumptions could affect the reported fair value of these financial instruments held by the Fund. The estimated fair values for these securities may be significantly different from the values that would have been used had a ready market for the investment existed.

See Note 12 for the fair value classifications of the Fund.

**(d) Structured entities**

In determining whether unlisted open-ended investment funds or ETFs 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 or ETFs have the typical characteristics of a structured entity. The Manager has assessed the characteristics of the Underlying Funds and ETFs 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 or ETFs and does not have an ability to influence the activities of the Underlying Funds or ETFs or the return it receives from its investment.

**5. 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 12 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 12 for the annual rates paid (as a percent of average assets) by the Fund.

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

**(d)** The Fund may pay the Distributors a service fee to compensate them for providing or arranging for the provision of services to the Fund. 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 12 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 12 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.



**6. 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, which is not paid or payable to its securityholders. 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.

See Note 12 for the losses that were available to offset future income for tax purposes as at the last taxation year-end. The net capital losses can be carried forward indefinitely to reduce future realized capital gains. The non-capital losses may be utilized to reduce taxable income of future years and expire in December of the years indicated.

**7. COMMISSIONS AND OTHER PORTFOLIO TRANSACTION COSTS**

The total brokerage commissions incurred by the Fund in connection with portfolio transactions for the periods, together with other transaction charges, is disclosed in the Statements of Comprehensive Income. Brokerage business is allocated to brokers based on the best net result for the Fund. Subject to this criteria, commissions may be paid to brokerage firms which provide (or pay for) certain services, other than order execution, which may include investment research, analysis and reports, and databases or software in support of these services. Where applicable and ascertainable, the value of third-party services that were paid for by brokers during the periods is disclosed in Note 12. The value of certain proprietary services provided by brokers cannot be reasonably estimated.

**8. GUARANTEES AND INDEMNITIES**

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.

**9. CAPITAL MANAGEMENT**

The capital structure of the Fund consists of redeemable securities in multiple series. The net capital received by the Fund is managed in accordance with the investment objective and strategies of the Fund and to maintain adequate liquidity to meet securityholder redemption requests. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue or redemption of securities beyond those included in the Fund's prospectus. Securities issued, reinvested and redeemed during the periods 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. See the Schedule of Investments for additional information about the securities, Underlying Funds and ETFs, if any, held by the Fund as at the end of the period. Where significant, Note 12 presents the Fund's exposure, directly and, if applicable, indirectly through investments in Underlying Funds, ETFs and/or derivative contracts, to financial instrument risks, as indicated below.

**(a) Risk management**

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 come 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 90% 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 12 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 12 includes potential indirect impacts from Underlying Funds and ETFs in which the Fund invests, and/or derivative contracts including forward currency contracts. Other financial assets and liabilities (including dividends and interest receivable, and receivables/payables for investments sold/purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.

**(d) Interest rate risk**

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

If significant, Note 12 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 12 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 12 summarizes the Fund's exposure, if significant, to credit risk. Indirect exposure to credit risk may arise from fixed-income securities, such as bonds, held by Underlying Funds and ETFs, if any. The fair value of fixed-income securities held by Underlying Funds and ETFs includes consideration of the creditworthiness of the issuer.

All transactions in listed securities are settled/paid for upon delivery using approved third-party brokers. The risk of default is considered minimal, as delivery of investments sold by the Fund is only made once the broker has received payment. Payment is made by the Fund on a purchase only once the investments have been received by the broker.

The carrying amount of investments represents the maximum credit risk exposure. The carrying amount of other assets also represents the maximum credit risk exposure, as they will be settled in the short term.

The Fund may enter into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the value of cash or securities held as collateral must be at least 102% of the fair value of the investments loaned.

**(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 or currency risk), whether caused by factors specific to an individual investment, its issuer or other factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. The Manager moderates this risk through a careful selection of securities and other financial instruments within the parameters of the investment strategies. Except for certain derivative contracts, the maximum risk resulting from financial instruments is equivalent to their fair value. The maximum risk of loss on certain derivative contracts such as forwards, swaps and futures contracts is equal to their notional values. In the case of written call (put) options and futures contracts sold short, the maximum loss to the Fund increases, theoretically without limit, as the fair value of the underlying security increases (decreases). However, these instruments are generally used within the overall investment management process to manage the risk from the underlying investments and do not typically increase the overall risk of loss to the Fund.

Other price risk typically arises from exposure to equity and commodity securities. If significant, Note 12 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 12 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 Investors 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 12 also indicates the Fund's sensitivity, if any, to a 25 basis point change in the weighted average capitalization rates.

# IG Putnam U.S. Growth Fund II

NOTES TO THE INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

## 11. OTHER INFORMATION

### (a) Abbreviations

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

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

### (b) Additional information available

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

# IG Putnam U.S. Growth Fund II

NOTES TO THE INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

## 12. FUND SPECIFIC INFORMATION

### (a) Fund and series information

Series	Date operations commenced	Management fee (%)	Service fee (%)	Administration fee (%)	Trustee fee (%)
Series A	n/a	1.85	0.30	0.18	0.05
Series B	n/a	1.85	0.30	0.18	0.05
Series C	n/a	1.90	0.50	0.18	0.05
Series J DSC	July 13, 2012	1.60	0.30	0.18	0.05
Series J NL	July 13, 2012	1.60	0.30	0.18	0.05
Series U	July 12, 2013	0.75	-	0.18	0.05

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

Date operations commenced are shown if within 10½ years.

Effective June 1, 2020, the annual management fee rates for Series A, B, J DSC, J NL and U decreased by 0.05%.

The Fund aims to provide long-term capital growth by investing primarily in the common shares of established U.S. corporations that, in the sub-advisor's view, are expected to have above-average growth potential.

Effective June 8, 2020, the Fund is only available for the reinvestment of distributions and investments through preauthorized investment plans by current securityholders. Prior to June 8, 2020, Series A, C, and J DSC were closed to new investments by securityholders, but still available for reinvested distributions and switches from corresponding series of other IG Wealth Management Funds.

The Manager engaged AGF Investments Inc. as sub-advisor to assist in investment management and trade execution for the Fund.

Effective June 8, 2020, Putnam Investments Canada ULC, operating as Putnam Management in Manitoba, and its affiliate, The Putnam Advisory Company, LLC replaced AGF Investments Inc. as sub-advisor to the Fund. Putnam Investments Canada ULC and The Putnam Advisory Company, LLC are indirectly affiliated with IGM Financial Inc. Concurrently, the name of the Fund changed from IG AGF U.S. Growth Fund to IG Putnam U.S. Growth Fund II.

### (b) Income tax losses (\$ 000)

Total capital loss	Total non-capital loss	2026	2027	Expiration year for non-capital losses			
				2028	2029	2030	after 2030
-	10,756	2,425	-	1,935	2,938	-	3,458

### (c) Commissions

for the six-month periods ended	(\$ 000)
September 30, 2020	6
September 30, 2019	4

### (d) Securities lending

as at	Value of securities loaned (\$ 000)	Value of collateral received (\$ 000)
September 30, 2020	31,825	33,812
March 31, 2020	11,245	11,939

for the six-month period ended	September 30, 2020		September 30, 2019	
	(\$ 000)	(%)	(\$ 000)	(%)
Gross securities lending income	12	100.0	17	100.0
Tax withheld	-	(2.4)	-	(2.4)
Payments to securities lending agents	12	97.6	17	97.6
Securities lending income	(2)	(17.6)	(4)	(24.4)
	10	80.0	13	73.2

# IG Putnam U.S. Growth Fund II

NOTES TO THE INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

## 12. FUND SPECIFIC INFORMATION (continued)

### (e) Financial instrument risk

#### i) Currency risk

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

September 30, 2020						Impact on net assets			
Currency	Investments (\$ 000)	Cash and cash equivalents (\$ 000)	Margin on derivative contracts (\$ 000)	Derivative instruments (\$ 000)	Net exposure (\$ 000)	Strengthened by 5%		Weakened by 5%	
						(\$ 000)	(%)	(\$ 000)	(%)
United States dollars	319,410	2,444	-	(134)	321,720				
Other	17,927	-	-	-	17,927				
<b>Total</b>	<b>337,337</b>	<b>2,444</b>	<b>-</b>	<b>(134)</b>	<b>339,647</b>				
As percent of net assets (%)					99.1				
Total currency rate sensitivity on direct holdings						(16,982)	(5.0)	16,982	5.0
Currency rate sensitivity arising from Underlying Funds and ETFs						-	-	-	-
<b>Total sensitivity to currency rate changes</b>						<b>(16,982)</b>	<b>(5.0)</b>	<b>16,982</b>	<b>5.0</b>

  

March 31, 2020						Impact on net assets			
Currency	Investments (\$ 000)	Cash and cash equivalents (\$ 000)	Margin on derivative contracts (\$ 000)	Derivative instruments (\$ 000)	Net exposure (\$ 000)	Strengthened by 5%		Weakened by 5%	
						(\$ 000)	(%)	(\$ 000)	(%)
United States dollars	238,099	20,794	-	-	258,893				
Other	14,484	-	-	-	14,484				
<b>Total</b>	<b>252,583</b>	<b>20,794</b>	<b>-</b>	<b>-</b>	<b>273,377</b>				
As percent of net assets (%)					100.5				
Total currency rate sensitivity on direct holdings						(13,669)	(5.0)	13,669	5.0
Currency rate sensitivity arising from Underlying Funds and ETFs						-	-	-	-
<b>Total sensitivity to currency rate changes</b>						<b>(13,669)</b>	<b>(5.0)</b>	<b>13,669</b>	<b>5.0</b>

#### ii) Interest rate risk

As at September 30, 2020 and March 31, 2020, the Fund did not have a significant exposure to interest rate risk.

#### iii) Credit risk

As at September 30, 2020 and March 31, 2020, the Fund did not have a significant exposure to credit risk.

#### iv) Other price risk

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

Impact on net assets	Increase by 10%		Decrease by 10%	
	(\$ 000)	(%)	(\$ 000)	(%)
September 30, 2020	34,009	9.9	(34,009)	(9.9)
March 31, 2020	25,258	9.3	(25,258)	(9.3)

### (f) Fair value of investments

The tables below summarize the fair value of the Fund's investments using the fair value categories described in Note 4.

as at September 30, 2020 (\$ 000)	Level 1	Level 2	Level 3	Total
Bonds	-	-	-	-
Mutual funds	-	-	-	-
Exchange Traded Funds	-	-	-	-
Equities	327,684	12,406	-	340,090
Short-term investments	-	266	-	266
Derivative assets	-	-	-	-
Derivative liabilities	-	(134)	-	(134)
<b>Total</b>	<b>327,684</b>	<b>12,538</b>	<b>-</b>	<b>340,222</b>

  

as at March 31, 2020 (\$ 000)	Level 1	Level 2	Level 3	Total
Bonds	-	-	-	-
Mutual funds	-	-	-	-
Exchange Traded Funds	-	-	-	-
Equities	252,583	-	-	252,583
Short-term investments	-	-	-	-
Derivative assets	-	-	-	-
Derivative liabilities	-	-	-	-
<b>Total</b>	<b>252,583</b>	<b>-</b>	<b>-</b>	<b>252,583</b>

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