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# iProfile™ U.S. Equity Private Pool

## Annual Management Report of Fund Performance

FOR THE PERIOD ENDED MARCH 31, 2021

### CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements that reflect our current expectations or forecasts of future events. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, “preliminary”, “typical” and other similar expressions. In addition, these statements may relate to future corporate actions, future financial performance of a fund or a security and their future investment strategies and prospects. Forward-looking statements are inherently subject to, among other things, risks, uncertainties and assumptions that could cause actual events, results, performance or prospects to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, the volatility of global equity and capital markets, business competition, technological change, changes in government regulations, changes in securities laws and regulations, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, outbreaks of disease or pandemics (such as COVID-19), and the ability of manager to attract or retain key employees. The foregoing list of important risks, uncertainties and assumptions is not exhaustive. Please consider these and other factors carefully and do not place undue reliance on forward-looking statements.

The forward-looking information contained in this report is current only as of the date of this report. There should not be an expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.

This Annual Management Report of Fund Performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You may obtain a copy of the annual financial statements, at no cost, by calling 1-888-746-6344 (1-800-661-4578 if you live in Quebec) or by writing to us at 447 Portage Avenue, Winnipeg, Manitoba, R3B 3H5 (2001, boulevard Robert-Bourassa, bureau 2000, Montreal (Quebec), H3A 2A6 if you live in Quebec), or by visiting the SEDAR website at [www.sedar.com](http://www.sedar.com).

Securityholders may also contact us using one of these methods to request a copy of the investment fund's interim financial report, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure. For more information, please refer to the Pool's Simplified Prospectus, Annual Information Form and Fund Facts, which may also be obtained, at no cost, using any of the methods outlined above.

For the Pool's current net asset values per security and for more recent information on general market events, please visit our website at [www.ig.ca](http://www.ig.ca)

References to “Consultant” or “Consultants” mean “Representative” or “Representatives” in Quebec.

# Management Discussion of Fund Performance

JUNE 8, 2021

This management discussion of Pool performance presents views of the portfolio management team about the significant factors and developments during the past year that have affected the Pool's performance and outlook.

Please read the *Caution Regarding Forward-looking Statements* located on the first page of this document.

## Investment Objective and Strategies

The Pool aims to provide long-term capital growth by investing primarily in U.S. equities through the allocation of assets to a number of mandates, including: U.S. Large Cap Value, U.S. Large Cap Growth, U.S. Core Equity and U.S. Small Cap. Each mandate is separately managed.

## Risk

The risks of the Pool remain as discussed in the Pool's Simplified Prospectus.

The Pool is suitable for long-term investors looking for capital growth who have a medium tolerance for risk.

## Results of Operations

### CHANGES IN NET ASSETS

The Pool's net assets increased by 66.2% during the period to \$4.4 billion. This change was comprised primarily of gains from operations of \$1.2 billion and an increase of \$585.4 million due to net securityholder activity.

### FEES AND EXPENSES

The management expense ratios (MERs) for all series are generally similar to the MERs for the period ended March 31, 2020. Total expenses paid vary period to period mainly as a result of changes in average assets in each series.

### INVESTMENT PERFORMANCE

In accordance with National Instrument 81-106, the following comparison to one or more market indices has been included to help you understand the Pool's performance relative to the general performance of the markets. However, the portfolio management team cautions that the Pool's mandate may be different from the index or indices shown. For a description of the index or indices, see *Annual Compound Returns*. Also, it is important to note that investors cannot invest in an index. Indirect investments in an index are available; however, there are fees and transaction costs and other variables that will impact returns when investing in these products. Index returns included in the comparison below do not reflect these costs and variables.

For the returns of all series and for longer-term performance of the Pool, see the *Past Performance* section of this report. Performance will vary by series primarily because fees and expenses may differ between series, or because securities of a series were not issued and outstanding for the entire reporting period. See *Series Information* for the annual expense rates for each series.

For the year ended March 31, 2021, the Series I securities returned 42.4% (after deducting fees and expenses paid by the Pool). In comparison, the S&P 500 Index returned 39.4%.

After declining sharply at the beginning of the COVID-19 crisis, U.S. equity market indices rebounded to all-time highs. Equity returns were initially driven by stocks that benefited from work-from-home trends. As vaccination programs accelerated, stocks expected to benefit from economic reopening gained momentum. Investors rotated out of growth stocks and into cyclical value stocks. This was positive for the financials, energy and materials sectors, as well as industries related to travel, tourism and entertainment. The U.S. dollar depreciated relative to the Canadian dollar, reducing returns in Canadian dollar terms.

Within the S&P 500 Index, materials, energy and consumer discretionary were the strongest sectors in Canadian dollar terms, while utilities, consumer staples and real estate were the weakest.

The Pool's core equity investments outperformed the index. Stock selection in the information technology, communication services and consumer discretionary sectors contributed to performance. Stock selection in the health care sector detracted from performance.

The Pool's large-capitalization value-oriented investments outperformed the index. Overweight exposure to the financials sector and stock selection in the materials, consumer discretionary and financials sectors contributed to performance. Underweight exposure to the information technology sector and stock selection in the health care and communication services sectors detracted from performance.

The Pool's large-capitalization growth-oriented investments underperformed the index. Underweight exposure to the financials sector and stock selection in the financials and industrials sectors detracted from performance. Overweight exposure to the information technology sector and underweight exposure to the consumer staples and utilities sectors contributed to performance.

The Pool's small-capitalization investments outperformed the index as U.S. small-cap stocks significantly outperformed large-cap stocks. Stock selection in the health care, industrials, financials and consumer discretionary sectors contributed to performance.

## Recent Developments

The portfolio management team believes the near-term outlook for stocks is positive. As COVID-19 vaccines continue to roll out, the team expects the global economy to experience a broad, synchronized recovery. Economies should be supported by massive monetary stimulus and fiscal stimulus such as the recent U.S. COVID-19 relief package and infrastructure spending. The team expects investment performance to favour the beneficiaries of economic reopening.

Core investments continue to focus on companies with attractive share valuations, high expected earnings growth and improving market sentiment. The portfolio management team for the Pool's core investments believes that focusing on these characteristics will provide long-term results that are superior to the benchmark.

The portfolio management team for the Pool's large-cap value-oriented investments believes value-oriented stocks will continue to perform well in the near term because of accelerating economic growth fuelled by consumer and business spending. The team intends to maintain a mix of cyclical and defensive holdings, investing with a focus on company fundamentals.

The portfolio management team for the Pool's large-cap growth-oriented investments believes the COVID-19 pandemic has created lasting changes in consumer behaviour that are producing opportunities in areas such as contactless payments, cloud infrastructure and telemedicine. The team believes these changes will benefit many of the portfolio's holdings.

The portfolio management team for the Pool's small-cap investments expects the current environment to provide favourable opportunities to invest in companies with strong fundamentals and attractive valuations.

## Other Developments

### COVID-19

Governments worldwide have enacted various measures in seeking to combat the spread of the COVID-19 virus. These measures have led to significant volatility in equity markets and material disruption to businesses globally, resulting in an economic slowdown.

Ongoing uncertainty regarding the duration and long-term impact of the pandemic and the implementation of vaccination programs, as well as the efficacy of government and central bank monetary and fiscal interventions, may continue to affect the Pool's performance in future periods.

## Related Party Transactions

I.G. Investment Management, Ltd. is the Manager, Trustee and Portfolio Advisor of the Pool. The Pool is offered through the Consultants of Investors Group Financial Services Inc. and Investors Group Securities Inc., together referred to as the Distributors. The Manager, Portfolio Advisor, Distributors and Trustee are, indirectly, wholly owned subsidiaries of IGM Financial Inc.

The following sub-advisors provided investment services to the Pool:

- Putnam Investments Canada ULC, operating as Putnam Management in Manitoba, and its affiliate, The Putnam Advisory Company, LLC
- PanAgora Asset Management, Inc.
- Aristotle Capital Boston, LLC

PanAgora Asset Management, Inc., Putnam Investments Canada ULC and The Putnam Advisory Company, LLC, are indirectly affiliated with IGM Financial Inc.

The Pool paid a pool advisory fee to the Portfolio Advisor for investment management and portfolio advisory services (see *Management Fees*).

The Pool also paid the Manager an administration fee for administrative services.

The Trustee is responsible for the overall direction of the affairs of the Pool. The Pool paid the Trustee a fee for its services.

See *Series Information* for the annual rates paid by each series (as a percent of average net assets) for these fees.

Certain other investment funds, distributed by IG Wealth Management, and other qualified investors may invest in Series P of this Pool. As at March 31, 2021, this series comprised approximately 21.4% of the Pool's net assets. The Manager relied on standing instructions approved by the IG Wealth Management Funds Independent Review Committee for the execution of all such transactions, which are based on the net asset value per security determined in accordance with the stated policies of the Pool on each transaction day. Investments by other investment funds in the Pool increase the risk of large redemption or purchase orders, which could result in larger than normal cash positions in the Pool for short periods of time. This could have an impact on the Pool's operations. However, the Manager uses various strategies to minimize the potential dilutive impact associated with large cash positions. These strategies may include transferring securities in-kind where possible, utilizing ETFs to maintain market exposure in lieu of cash and spreading transactions in smaller increments over a period of time.

## Management Fees

The Pool pays a pool advisory fee, and this fee, paid by each series, is calculated as a percentage of the net asset value of the series at the close of each business day (see *Series Information* for rates payable by each series). The pool advisory fees pay the costs incurred to provide investment management services.

Securityholders in the iProfile Program also pay a program advisory fee directly to the Distributors. This fee is not included in the Pool's expenses. Distribution-related services were paid for out of the program advisory fee and other revenue sources.

## Summary of Investment Portfolio

The largest positions of the Pool (up to 25) at the end of the period, and the major asset classes in which the Pool was invested, are indicated below. This summary of investment portfolio may change due to ongoing portfolio transactions. The Pool's summary of investment portfolio will be updated as at the end of the next quarter. Please see the front page for information about how it can be obtained.

### Summary of Top 25 Long Positions

	% of net assets
Microsoft Corp.	5.3
Apple Inc.	4.3
Amazon.com Inc.	3.5
Alphabet Inc. Class C	2.0
Cash and cash equivalents	2.0
Facebook Inc.	1.7
JPMorgan Chase & Co.	1.7
Bank of America Corp.	1.5
Citigroup Inc.	1.3
The Home Depot Inc.	1.3
PayPal Holdings Inc.	1.1
Tesla Inc.	1.1
The Procter & Gamble Co.	1.1
Visa Inc. Class A	1.0
Mastercard Inc. Class A	0.9
NVIDIA Corp.	0.9
Wal-Mart Stores Inc.	0.9
Applied Materials Inc.	0.9
Johnson & Johnson	0.9
Union Pacific Corp.	0.9
UnitedHealth Group Inc.	0.8
Southwest Airlines Co.	0.8
Charter Communications Inc. Class A	0.8
Freeport-McMoRan Inc.	0.8
Eli Lilly and Co.	0.8
	<b>38.3</b>

### Summary of Top 25 Short Positions

	% of net assets
n/a	-

## Summary of Composition of the Portfolio

	% of net assets
<b>PORTFOLIO ALLOCATION</b>	
Equities	97.4
Exchange Traded Funds	0.6
Cash and cash equivalents	2.0
Other net assets (liabilities)	-
<b>Total</b>	<b>100.0</b>
<b>EQUITIES</b>	
<b>COUNTRY ALLOCATION</b>	
United States	94.4
Other	3.1
	<b>97.5</b>
<b>SECTOR ALLOCATION</b>	
Information Technology	23.7
Financials	13.2
Consumer Discretionary	12.3
Health Care	12.3
Industrials	10.4
Communication Services	9.0
Consumer Staples	4.6
Materials	3.6
Energy	2.8
Other	5.6
	<b>97.5</b>

## Series Information

Series	Date operations commenced	Pool advisory fee (%)	Administration fee (%)	Trustee fee (%)
Series I	n/a	0.25	up to 0.25	0.05
Series P	n/a	-	-	-
Series Ti	03/01/2013	0.25	up to 0.25	0.05

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

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

## Past Performance

It is important to remember that past performance doesn't necessarily indicate future performance. The returns presented below:

- assume that all distributions, except for fee rebates, are reinvested into the Pool;
- do not include sales charges, income taxes, optional expenses or advisory fees payable directly by securityholders in certain series, that reduce returns;
- show performance based on Canadian dollar returns; and
- show performance for each of the past 10 financial years, or since the series started. Financial years are for the 12 months ended March 31. Inception dates within these periods are shown in *Series Information*.

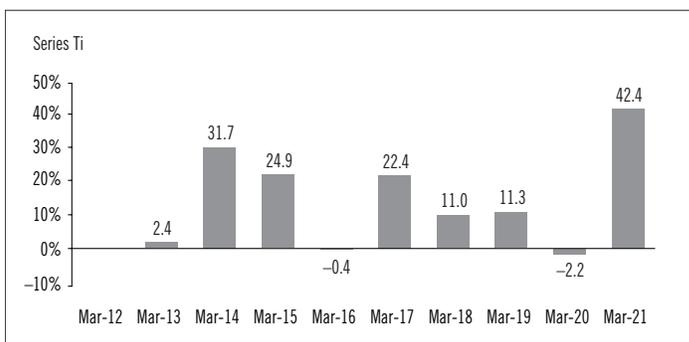
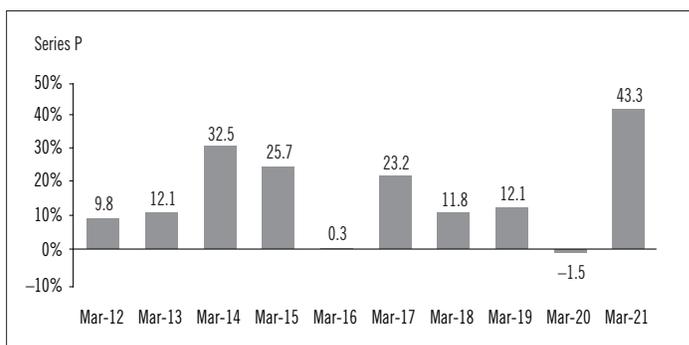
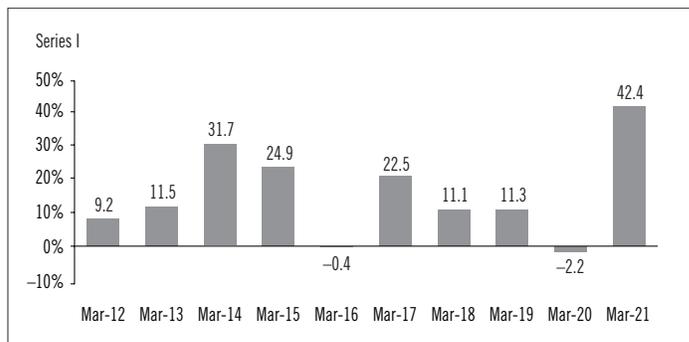
Performance during these periods may have been impacted by the following events:

- During some performance measurement periods, certain fees or expenses may have been waived or absorbed by the Manager or affiliates of the Manager.

There is no assurance that fees will be waived in the future.

### Year-by-Year Returns

These bar charts show how much an investment in securities made on the first day of each financial year would have increased or decreased by the end of the respective period. For the first year of a series, the percentage shown will be the actual return of the series from its inception date. The charts illustrate how the Pool's performance has changed over time.



### Annual Compound Returns

The following table compares the historical annual compound returns for each series with the index (or indices) shown below, for the periods shown ending March 31, 2021.

For a discussion of the Pool's recent performance relative to the index (or indices), see *Results of Operations*.

(%)	1 yr	3 yrs	5 yrs	10 yrs	Since inception
Series I	42.4	15.8	16.1	15.5	n/a
Series P	43.3	16.5	16.9	16.2	n/a
Series Ti	42.4	15.7	16.1	n/a	16.9
S&P 500 Index	39.4	15.8	15.5	16.9	Note 1

The S&P 500 Index is a market capitalization weighted index of 500 widely held securities, designed to measure broad U.S. equity performance.

(1) The return of the S&P 500 Index since inception for each applicable series is as follows: Series Ti 17.8%

## Financial Highlights

The following tables show selected key financial information about the Pool and are intended to help you understand the Pool's financial performance for each of the fiscal periods presented below. If during the period a series was established or reinstated, "period" represents the period from inception or reinstatement to the end of that fiscal period. Series inception or reinstatement dates can be found under *Series Information*.

### Net Assets per Security<sup>1</sup>

Series I (in \$)	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017
<b>Net assets, beginning of period</b>	17.59	18.32	17.43	16.13	13.56
<b>Increase (decrease) from operations:</b>					
Total revenue	0.30	0.32	0.27	0.26	0.30
Total expenses	(0.15)	(0.13)	(0.12)	(0.12)	(0.11)
Realized gains (losses) for the period	1.33	0.73	0.78	0.63	0.90
Unrealized gains (losses) for the period	5.81	(1.27)	0.95	1.01	1.93
<b>Total increase (decrease) from operations<sup>2</sup></b>	7.29	(0.35)	1.88	1.78	3.02
<b>Distributions:</b>					
From net investment income (excluding Canadian dividends)	(0.22)	(0.15)	(0.14)	(0.14)	(0.17)
From Canadian dividends	-	-	-	-	-
From capital gains	(0.74)	(0.23)	(0.83)	(0.34)	(0.30)
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>3</sup></b>	(0.96)	(0.38)	(0.97)	(0.48)	(0.47)
<b>Net assets at period end</b>	24.04	17.59	18.32	17.43	16.13

Series P (in \$)	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017
<b>Net assets, beginning of period</b>	24.17	25.17	23.94	22.17	18.64
<b>Increase (decrease) from operations:</b>					
Total revenue	0.41	0.44	0.37	0.35	0.41
Total expenses	(0.01)	(0.01)	(0.01)	(0.02)	(0.03)
Realized gains (losses) for the period	1.70	1.00	1.08	0.87	1.24
Unrealized gains (losses) for the period	7.97	(1.75)	1.29	1.38	2.67
<b>Total increase (decrease) from operations<sup>2</sup></b>	10.07	(0.32)	2.73	2.58	4.29
<b>Distributions:</b>					
From net investment income (excluding Canadian dividends)	(0.35)	(0.28)	(0.21)	(0.23)	(0.28)
From Canadian dividends	-	-	-	-	-
From capital gains	(1.18)	(0.41)	(1.27)	(0.59)	(0.49)
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>3</sup></b>	(1.53)	(0.69)	(1.48)	(0.82)	(0.77)
<b>Net assets at period end</b>	33.03	24.17	25.17	23.94	22.17

Series Ti (in \$)	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017
<b>Net assets, beginning of period</b>	12.24	13.58	13.69	13.46	12.09
<b>Increase (decrease) from operations:</b>					
Total revenue	0.20	0.23	0.20	0.21	0.25
Total expenses	(0.10)	(0.10)	(0.10)	(0.10)	(0.10)
Realized gains (losses) for the period	0.89	0.52	0.60	0.51	0.77
Unrealized gains (losses) for the period	3.90	(0.86)	0.74	0.81	1.65
<b>Total increase (decrease) from operations<sup>2</sup></b>	4.89	(0.21)	1.44	1.43	2.57
<b>Distributions:</b>					
From net investment income (excluding Canadian dividends)	(0.19)	(0.18)	(0.17)	(0.15)	(0.23)
From Canadian dividends	-	-	-	-	-
From capital gains	(0.41)	(0.09)	(0.55)	(0.21)	(0.18)
Return of capital	(1.00)	(0.85)	(0.83)	(0.83)	(0.81)
<b>Total annual distributions<sup>3</sup></b>	(1.60)	(1.12)	(1.55)	(1.19)	(1.22)
<b>Net assets at period end</b>	15.67	12.24	13.58	13.69	13.46

<sup>1</sup> These calculations are prescribed by securities regulations and are not intended to be a reconciliation between opening and closing net assets per security. This information is derived from the Pool's audited annual financial statements. The net assets per security presented in the financial statements may differ from the net asset value per security calculated for fund pricing purposes. An explanation of these differences, if any, can be found in the *Notes to Financial Statements*.

<sup>2</sup> Net asset value and distributions are based on the actual number of securities outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of securities outstanding over the financial period. In the period a series is established, the financial information is provided from the date of inception to the end of the period.

<sup>3</sup> Distributions were paid in cash, reinvested in additional securities of the Pool, or both.

# iProfile™ U.S. Equity Private Pool

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

MARCH 31, 2021

## Ratios and Supplemental Data

Series I	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017
Total net asset value (\$000's)	3,480,990	2,162,016	1,665,880	956,107	441,479
Number of securities outstanding (000's)	144,812	122,913	90,942	54,872	27,375
Management expense ratio (%) <sup>1</sup>	0.62	0.63	0.63	0.63	0.65
Management expense ratio before waivers or absorptions (%)	0.62	0.63	0.63	0.63	0.65
Trading expense ratio (%) <sup>2</sup>	0.04	0.04	0.06	0.08	0.10
Portfolio turnover rate (%) <sup>3</sup>	51.70	60.80	88.46	73.83	68.21
Net asset value per security (\$)	24.04	17.59	18.32	17.43	16.13

<sup>1</sup> Management expense ratio (MER) is based on total expenses, excluding commissions and other portfolio transaction costs, income taxes, and withholding taxes, for the stated period and is expressed as an annualized percentage of daily average net assets during the period, except as noted. In the period a series is established, the MER is annualized from the date of inception to the end of the period. Where a Pool directly or indirectly via derivative contract invests in securities of another fund (including exchange-traded funds or ETFs), the MERs presented for the Pool include the portion of MERs of the other fund(s) attributable to this investment. Any income distributions received from ETFs managed by affiliates of the Manager, with the intention of offsetting fees paid within those ETFs but which are not considered to be duplicative fees under regulatory requirements, are treated as waived expenses for MER purposes. Certain expenses that are non-recurring and/or otherwise uncertain as to their future timing and amount have not been annualized.

<sup>2</sup> The trading expense ratio (TER) represents total commissions and other portfolio transaction costs incurred as an annualized percentage of daily average net assets during the period. Where a Pool invests in securities of another fund (including exchange-traded funds or ETFs), the TERs presented for the Pool include the portion of TERs of the other fund(s) attributable to this investment.

<sup>3</sup> The Pool's portfolio turnover rate indicates how actively the Pool's Portfolio Advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Pool buying and selling all of the securities in its portfolio once in the course of the period. Generally, the higher a Pool's portfolio turnover rate in a period, the greater the trading costs payable by it in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a Pool. Transactions incurred to realign the Pool's portfolio after a fund merger, if any, are excluded from the portfolio turnover rate.

Series P	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017
Total net asset value (\$000's)	951,992	503,921	437,912	305,794	176,698
Number of securities outstanding (000's)	28,820	20,845	17,400	12,772	7,971
Management expense ratio (%) <sup>1</sup>	-	-	-	0.01	0.03
Management expense ratio before waivers or absorptions (%)	-	-	-	0.01	0.03
Trading expense ratio (%) <sup>2</sup>	0.04	0.04	0.06	0.08	0.10
Portfolio turnover rate (%) <sup>3</sup>	51.70	60.80	88.46	73.83	68.21
Net asset value per security (\$)	33.03	24.17	25.17	23.94	22.17

Series Ti	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017
Total net asset value (\$000's)	13,442	8,813	8,873	6,452	4,636
Number of securities outstanding (000's)	858	720	654	471	345
Management expense ratio (%) <sup>1</sup>	0.64	0.65	0.64	0.66	0.70
Management expense ratio before waivers or absorptions (%)	0.64	0.65	0.64	0.66	0.70
Trading expense ratio (%) <sup>2</sup>	0.04	0.04	0.06	0.08	0.10
Portfolio turnover rate (%) <sup>3</sup>	51.70	60.80	88.46	73.83	68.21
Net asset value per security (\$)	15.67	12.24	13.58	13.69	13.46

# Memo

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