

Annual Management Report of Fund Performance

For the Year Ended March 31, 2023

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.

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 Fund'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 Fund's current net asset values per security and for more recent information on general market events, please visit our website at www.ig.ca.

References to "Consultant" or "Consultants" mean "Representative" or "Representatives" in Quebec.

A NOTE ON 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.

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Management Discussion of Fund Performance

June 2, 2023

This Management Discussion of Fund Performance presents the portfolio management team's view on the significant factors and developments that have affected the Fund's performance and outlook in the year ended March 31, 2023 (the "period"). If the Fund was established during the period, "period" represents the period since inception.

In this report, "IGIM" and "the Manager" refer to I.G. Investment Management, Ltd., the manager of the Fund. In addition, net asset value ("NAV") refers to the value of the Fund as calculated for transaction purposes, on which the discussion of Fund performance is based.

Please read *A Note on Forward-Looking Statements* on the first page of this document.

Investment Objective and Strategies

The Fund aims to provide long-term capital growth by investing primarily in small capitalization corporations diversified geographically and by industry in all markets outside of Canada and the U.S.

Risk

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

The Fund is suitable for long-term investors looking for capital growth who intend to hold the Fund as one component of a diversified investment portfolio and who have a medium to high tolerance for risk.

Results of Operations

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 Fund's performance relative to the general performance of the markets. However, the portfolio management team cautions that the Fund'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. In addition, unlike the index, this Fund may be subject to valuation adjustments as outlined in the Fund's valuation policies as it relates to non-North American equities held either directly or indirectly by the Fund. A fair value adjustment can either positively or negatively impact the Fund's rate of return.

For the returns of all series and for longer-term performance of the Fund, 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, 2023, the Series F (formerly Series U) securities returned 3.2% (after deducting fees and expenses paid by the Fund). In comparison, the Fund's broad-based index, the MSCI EAFE (Net) Index, returned 6.7% and the Fund's narrow index, the MSCI EAFE Small Cap (Net) Index, returned -2.4%. Given the Fund's mandate, the narrow index has been included as a more meaningful comparison.

European equities generated positive returns over the period, and currency movements generally increased returns in Canadian dollar terms. Energy prices, while remaining relatively high, fell as concerns about the possibility of a recession grew. In Europe, inflation declined from peak levels but remained elevated, while

bond yields rose significantly. Despite some volatility, Japanese stocks ended the period largely unchanged, while the yen depreciated less than 1% relative to the Canadian dollar. In China, the lifting of pandemic-related lockdowns led to swift economic reopening.

Within the MSCI EAFE (Net) Index, Denmark, Ireland and Spain were the strongest-performing markets in Canadian dollar terms, while Norway, Israel and Australia were the weakest. The energy, consumer discretionary and consumer staples sectors were the strongest performers, while real estate, communication services and materials were the weakest.

International small-capitalization stocks generally underperformed large-capitalization stocks. Within the MSCI EAFE Small Cap (Net) Index, Ireland, Portugal and Italy were the strongest-performing markets in Canadian dollar terms, while Israel, Sweden and Norway were the weakest. The energy, industrials and consumer discretionary sectors were the strongest performers, while real estate, health care and communication services were the weakest.

The Fund underperformed the broad-based index because of its focus on small-cap stocks, which underperformed large-cap stocks in the period.

The Fund outperformed the narrow index, with stock selection in Japan and France and underweight exposure to Sweden contributing to performance. In sector terms, stock selection in financials and information technology contributed to performance, as did underweight exposure to real estate. Stock selection in the United Kingdom and Singapore detracted from performance.

Over the period, the portfolio management team increased the Fund's exposure to the United Kingdom in response to signs of stabilization in the political environment, improved macroeconomic expectations and attractive relative valuations. The Fund's exposure to the consumer discretionary sector increased as the team found attractive opportunities. Exposure to the financials sector decreased as the team took profits on holdings in Japanese regional banks. The team also reduced exposure in Europe based on the team's lower expectations for earnings growth.

Net Assets

The Fund's net assets decreased by 4.8% during the period to \$381.6 million. This change was composed primarily of \$24.0 million in net income (including any interest and/or dividend income) from investment performance, after deducting fees and expenses, and a decrease of \$43.4 million due to net securityholder activity (including sales, redemptions and cash distributions).

Fees and Expenses

The management expense ratio ("MER") for each series during the year ended March 31, 2023, was generally similar to the MER for the year ended March 31, 2022. Total expenses paid vary from period to period mainly as a result of changes in average assets in each series. The MERs for all series are presented in the *Financial Highlights* section of this report.

Recent Developments

The portfolio management team believes that the major factor affecting equity markets into 2024 will be the degree to which tightening actions taken by major central banks ease inflationary pressures without materially slowing economic growth.

The easing of inflationary pressure in Europe, as well as the reopening of China, one of Europe's largest trading partners, is positive for the region, in the team's opinion. However, the typically delayed effect of monetary policy and subdued forward-looking economic indicators suggest the backdrop may remain challenging.

In Asia Pacific, the team expects China's reopening to help its economic recovery and increase tourism to the region. The team believes easing supply-chain constraints on Chinese products such as semiconductors will support the Japanese industrials sector, particularly automotive. In countries such as Australia, elevated inflation and policy rates may continue to hinder consumer spending.

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At period-end, the Fund was defensively positioned for an environment of higher interest rates and lower economic growth, with overweight exposure to the health care, consumer discretionary and consumer staples sectors and underweight exposure to the real estate, financials and materials sectors.

Other Developments

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 is in a taxable position. As a result of this wind-up, IG Mackenzie International Small Cap Class 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 \$312.8 million flowed into the Fund as a result. 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.

Effective March 31, 2023, KPMG LLP was appointed as the auditor of the Fund.

Related Party Transactions

I.G. Investment Management, Ltd. is the Manager and Trustee, and Mackenzie Investments Europe Limited is the Portfolio Advisor of the Fund. The Fund 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-advisor provided investment services to the Fund:

- Mackenzie Investments Asia Limited

Mackenzie Investments Asia Limited is, indirectly, a wholly owned subsidiary of IGM Financial Inc.

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

The Fund also paid the Manager an administration fee and in exchange the Manager paid the operating costs and expenses of the Fund, except for certain specified costs.

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

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

Securityholders in Series F (formerly Series U) also pay an advisory fee directly to the Distributors. This fee is not included in the Fund's expenses.

Certain other investment funds, distributed by IG Wealth Management, and other qualified investors may invest in Series R of this Fund. As at March 31, 2023, this series comprised approximately 95.4% of the Fund'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 Fund on each transaction day. Investments by other investment funds in the Fund increase the risk of large redemption or purchase orders, which could result in larger than normal cash positions in the Fund for short periods of time. This could have an impact on the Fund'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.

The Manager relied on an approval issued by the IG Wealth Management Funds Independent Review Committee to proceed with the merger of IG Mackenzie International Small Cap Class into the Fund on May 19, 2023.

The Manager relied on an approval provided by the IG Wealth Management Funds' Independent Review Committee to appoint KPMG LLP as the auditor of the Fund, effective March 31, 2023.

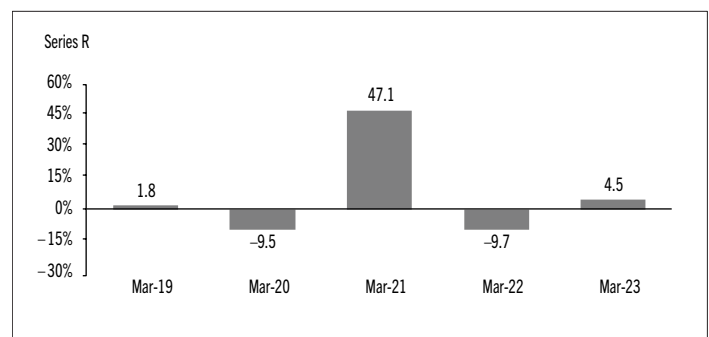
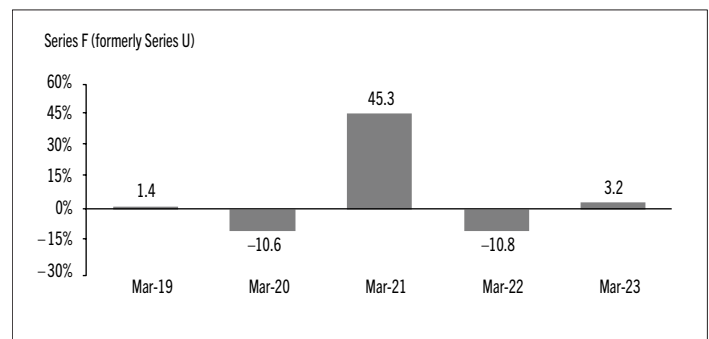
Past Performance

The Fund's past performance information is presented in the following charts and table. It assumes all distributions made by the Fund in the periods presented are reinvested in additional securities of the relevant series of the Fund. The charts and table do not take into account sales, redemption, distribution or optional charges, or income taxes payable by any investor that would have reduced returns. The past performance of the Fund is not necessarily an indication of how it will perform in the future.

If you hold this Fund outside of a registered plan, income and capital gains distributions paid to you increase your income for tax purposes whether paid to you in cash or reinvested in additional securities of the Fund. The amount of reinvested taxable distributions is added to the adjusted cost base of the securities that you own. This would decrease your capital gain or increase your capital loss when you later redeem from the Fund, thereby ensuring that you are not taxed on this amount again. Please consult your tax advisor regarding your personal tax situation.

Year-by-Year Returns

The following bar charts present the performance of each series of the Fund for each of the fiscal periods shown. The charts show, in percentage terms, how much an investment made on the first day of each fiscal period, or on the series inception or reinstatement date, as applicable, would have increased or decreased by the last day of the fiscal period presented. Series inception or reinstatement dates can be found under *Series Information*.



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Annual Compound Returns

The following table compares the historical annual compound total returns for each series of the Fund with the relevant index or indices shown below for each of the periods ended March 31, 2023. Investors cannot invest in an index without incurring fees, expenses and commissions, which are not reflected in these performance figures.

All index returns are calculated in Canadian dollars on a total return basis, meaning that all dividend payments, interest income accruals and interest payments are reinvested.

(%)	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Series F (formerly Series U)	3.2	10.2	n/a	n/a	4.5
Series R	4.5	11.5	n/a	n/a	5.8
MSCI EAFE (Net) Index	6.7	11.4	n/a	n/a	Note 1
MSCI EAFE Small Cap (Net) Index	-2.4	10.5	n/a	n/a	Note 2

The MSCI EAFE (Europe, Australasia, Far East) (Net) Index represents large- and mid-cap equity performance across 21 developed markets, excluding the United States and Canada. Net total returns are calculated after the deduction of withholding tax from the foreign income and dividends of its constituents.

MSCI EAFE Small Cap (Net) Index represents small-cap equity performance across 21 developed markets, excluding the United States and Canada. Net total returns are calculated after the deduction of withholding tax from the foreign income and dividends of its constituents.

- (1) The return of the MSCI EAFE (Net) Index since inception for each applicable series is as follows: Series F (formerly Series U) 6.4%, Series R 6.4%.
- (2) The return of the MSCI EAFE Small Cap (Net) Index since inception for each applicable series is as follows: Series F (formerly Series U) 4.3%, Series R 4.3%.

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Summary of Investment Portfolio at March 31, 2023

PORTFOLIO ALLOCATION	% OF NAV
Equities	95.9
Cash and cash equivalents	4.0
Other assets (liabilities)	0.1

REGIONAL ALLOCATION	% OF NAV
Japan	35.5
United Kingdom	18.2
Germany	8.3
Australia	6.0
Ireland	5.9
France	5.0
Cash and cash equivalents	4.0
Norway	4.0
Hong Kong	2.8
Netherlands	2.1
Other	1.9
Sweden	1.6
Italy	1.5
China	1.1
Finland	1.0
Switzerland	1.0
Other assets (liabilities)	0.1

SECTOR ALLOCATION	% OF NAV
Industrials	19.0
Consumer discretionary	16.5
Health care	10.1
Information technology	9.7
Consumer staples	9.6
Financials	7.9
Real estate	7.1
Materials	6.3
Energy	4.7
Cash and cash equivalents	4.0
Communication services	3.9
Utilities	1.1
Other assets (liabilities)	0.1

TOP 25 POSITIONS	% OF NAV
Issuer	
Cash and cash equivalents	4.0
The Unite Group PLC	2.7
Sopra Steria Group	2.5
Uniphar PLC	2.5
Diploma PLC	2.4
Aixtron SE	1.9
Matsumotokiyoshi Holdings Co. Ltd.	1.9
Kobe Bussan Co. Ltd.	1.9
Dalata Hotel Group PLC	1.9
Salmar ASA	1.7
Nifco Inc.	1.7
Stanley Electric Co. Ltd.	1.7
Otsuka Corp.	1.7
Hemnet Group AB	1.7
Coface SA	1.6
Sixt SE Pfd.	1.6
Games Workshop Group PLC	1.6
Rheinmetall AG	1.5
NOF Corp.	1.5
ASM Pacific Technology Ltd.	1.5
Banca Farmafactoring SpA	1.5
Premier Foods PLC	1.5
Relo Holdings Inc.	1.5
Sanwa Holdings Corp.	1.5
Komeda Holdings Co. Ltd.	1.5

Top long positions as a percentage of total net asset value	47.0
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The Fund held no short positions at the end of the period.

The investments and percentages may have changed since March 31, 2023, due to the ongoing portfolio transactions of the Fund. Quarterly updates of holdings are available within 60 days of the end of each quarter except for March 31, the Fund's fiscal year-end, when they are available within 90 days.

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Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund'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*.

THE FUND'S NET ASSETS PER SECURITY (\$)¹

Series F (formerly Series U)	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Net assets, beginning of period	11.07	12.83	8.86	10.13	10.00
Increase (decrease) from operations:					
Total revenue	0.31	0.24	0.25	0.22	0.06
Total expenses	(0.15)	(0.18)	(0.16)	(0.17)	(0.08)
Realized gains (losses) for the period	(0.62)	0.61	0.34	(0.01)	(0.05)
Unrealized gains (losses) for the period	0.81	(2.09)	3.75	(1.06)	0.19
Total increase (decrease) from operations²	0.35	(1.42)	4.18	(1.02)	0.12
Distributions:					
From net investment income (excluding Canadian dividends)	(0.15)	(0.15)	(0.04)	(0.06)	(0.01)
From Canadian dividends	–	–	–	–	–
From capital gains	–	(0.29)	–	(0.19)	–
Return of capital	–	–	–	–	–
Total annual distributions³	(0.15)	(0.44)	(0.04)	(0.25)	(0.01)
Net assets, end of period	11.27	11.07	12.83	8.86	10.13

Series R	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Net assets, beginning of period	11.11	12.88	8.89	10.18	10.00
Increase (decrease) from operations:					
Total revenue	0.31	0.24	0.25	0.22	0.06
Total expenses	(0.02)	(0.02)	(0.03)	(0.03)	(0.03)
Realized gains (losses) for the period	(0.45)	0.49	0.09	(0.01)	(0.05)
Unrealized gains (losses) for the period	0.81	(2.10)	3.77	(1.06)	0.20
Total increase (decrease) from operations²	0.65	(1.39)	4.08	(0.88)	0.18
Distributions:					
From net investment income (excluding Canadian dividends)	(0.29)	(0.21)	(0.19)	(0.10)	(0.01)
From Canadian dividends	–	–	–	–	–
From capital gains	–	(0.39)	–	(0.30)	–
Return of capital	–	–	–	–	–
Total annual distributions³	(0.29)	(0.60)	(0.19)	(0.40)	(0.01)
Net assets, end of period	11.31	11.11	12.88	8.89	10.18

- 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 Fund'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*.
- Net assets 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 fiscal period.
- Distributions were paid in cash, reinvested in additional securities of the Fund, or both.

RATIOS AND SUPPLEMENTAL DATA

Series F (formerly Series U)	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Total net asset value (\$000)¹	17,472	17,138	17,723	10,064	6,038
Securities outstanding (000)¹	1,551	1,548	1,382	1,136	596
Management expense ratio (%)²	1.20	1.19	1.21	1.25	1.28
Management expense ratio before waivers or absorptions (%)²	1.20	1.19	1.21	1.25	1.28
Trading expense ratio (%)³	0.23	0.17	0.22	0.33	0.76
Portfolio turnover rate (%)⁴	73.37	51.22	65.98	59.33	23.95
Net asset value per security (\$)	11.27	11.07	12.83	8.86	10.13

Series R	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Total net asset value (\$000)¹	364,174	383,941	390,911	192,604	1
Securities outstanding (000)¹	32,209	34,558	30,353	21,655	–
Management expense ratio (%)²	–	–	–	–	–
Management expense ratio before waivers or absorptions (%)²	–	–	–	–	–
Trading expense ratio (%)³	0.23	0.17	0.22	0.33	0.76
Portfolio turnover rate (%)⁴	73.37	51.22	65.98	59.33	23.95
Net asset value per security (\$)	11.31	11.11	12.88	8.89	10.18

- This information is provided as at the end of the fiscal period shown.
- 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 the Fund directly invests in securities of another fund (including exchange-traded funds or "ETFs"), the MERs presented for the Fund 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. The Manager may waive or absorb operating expenses at its discretion and stop waiving or absorbing such expenses at any time without notice.
- 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 the Fund invests in securities of another fund (including ETFs), the TERs presented for the Fund include the portion of TERs of the other fund(s) attributable to this investment.
- The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is not provided when the Fund is less than one year old. The value of any trades to realign the Fund's portfolio after a fund merger, if any, is excluded from the portfolio turnover rate.

Management Fees

The Fund pays a management 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 management fee in Series F is used for investment advisory and management services.

Securityholders in Series F pay the Distributor an advisory fee (separate from the management fee) directly. This fee is not included in the Fund's expenses. Distribution-related services were paid for out of the advisory fee and other revenue sources.

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Series Information

Series	Inception/ Reinstatement Date	Management fee (%)	Service fee (%)	Administration fee (%)	Trustee fee (%)
Series F	11/12/2018	0.85	–	0.18	0.05
Series R	11/12/2018	–	–	–	–

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

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

Before July 16, 2021, Series R were known as Series F.

Prior to July 11, 2022, Series F were known as Series U.