
IG Templeton International Equity Class

Interim Financial Statements

For the six-month period ended September 30, 2009

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 in accordance with Canadian generally accepted auditing standards.

IG Templeton International Equity Class

INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

STATEMENTS OF NET ASSETS

at September 30, 2009 (unaudited) with comparative figures at March 31, 2009
(in \$ thousands except per share amounts)

	September 30 2009	March 31 2009
Assets:		
Investments	43,101	32,560
Cash and cash equivalents	964	331
Accrued interest and dividends receivable	75	137
Taxes recoverable (payable)	288	277
Accounts receivable for securities sold	49	4
Due from brokers	-	1,422
Due from manager	1	-
Net receivable for variation on futures contracts	-	-
Unrealized gains on forward contracts and other derivatives	-	-
Other assets	-	-
	1,377	2,171
Total assets	44,478	34,731
Liabilities:		
Bank overdraft	-	-
Due to brokers	-	462
Accounts payable for securities redeemed	-	-
Accrued expenses	2	1
Liability for options written	-	-
Unrealized losses on forward contracts and other derivatives	-	-
Other liabilities	-	6
Total liabilities	2	469
Net assets	44,476	34,262

Net assets per series, end of period

Series A	42,401	32,609
Series B	2,075	1,653

Net assets per share, end of period

Series A	11.78	9.33
Series B	11.68	9.25

STATEMENTS OF OPERATIONS

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

	2009	2008
Income:		
Dividends	1,027	1,376
Trust income	-	-
Interest and other income	-	28
Income (loss) from derivatives	-	-
Securities lending	34	41
Foreign withholding taxes	(132)	(164)
	929	1,281
Expenses:		
Management fees	396	504
Service fees	61	77
Administration fees	59	64
Goods and services tax	23	29
Capital tax	4	2
Other	-	-
	543	676
Net income (loss)	386	605
Realized gain (loss)	(1,454)	(220)
Unrealized gain (loss)	10,258	(9,165)
Commissions and other portfolio transaction costs	(20)	(11)
Net realized and unrealized gain (loss) from investments and foreign exchange	8,784	(9,396)
Net increase (decrease) in net assets from operations	9,170	(8,791)

Net increase (decrease) in net assets from operations per series

Series A	8,741	(8,358)
Series B	429	(433)

Net increase (decrease) in net assets from operations per share

Series A	2.45	(2.35)
Series B	2.43	(2.34)

STATEMENTS OF CHANGES IN NET ASSETS

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

	2009	2008
Series A		
Net assets, beginning of period	32,609	48,952
Increase (decrease) in net assets resulting from:		
Operations	8,741	(8,358)
Dividends:		
Ordinary	-	-
Capital gains	-	-
Total dividends	-	-
Share transactions:		
Proceeds from sale of shares	3,361	4,686
Reinvested from dividends	-	-
Payment on redemption of shares	(2,310)	(3,515)
Total share transactions	1,051	1,171
Increase (decrease) in net assets	9,792	(7,187)
Net assets, end of period	42,401	41,765

Series B		
Net assets, beginning of period	1,653	2,647
Increase (decrease) in net assets resulting from:		
Operations	429	(433)
Dividends:		
Ordinary	-	-
Capital gains	-	-
Total dividends	-	-
Share transactions:		
Proceeds from sale of shares	286	398
Reinvested from dividends	-	-
Payment on redemption of shares	(293)	(406)
Total share transactions	(7)	(8)
Increase (decrease) in net assets	422	(441)
Net assets, end of period	2,075	2,206

Total		
Net assets, beginning of period	34,262	51,599
Increase (decrease) in net assets resulting from:		
Operations	9,170	(8,791)
Dividends:		
Ordinary	-	-
Capital gains	-	-
Total dividends	-	-
Share transactions:		
Proceeds from sale of shares	3,647	5,084
Reinvested from dividends	-	-
Payment on redemption of shares	(2,603)	(3,921)
Total share transactions	1,044	1,163
Increase (decrease) in net assets	10,214	(7,628)
Net assets, end of period	44,476	43,971

	2009	2008
Increase (decrease) in shares (in thousands):		
Series A		
Shares outstanding, beginning of period	3,496	3,479
Add (deduct):		
Shares sold	320	345
Reinvested from dividends	-	-
Shares redeemed	(217)	(260)
Shares outstanding, end of period	3,599	3,564
Series B		
Shares outstanding, beginning of period	179	190
Add (deduct):		
Shares sold	27	30
Reinvested from dividends	-	-
Shares redeemed	(28)	(30)
Shares outstanding, end of period	178	190

STATEMENT OF INVESTMENTS
at September 30, 2009 (unaudited)

	Country	Sector	No. of Units, Shares, or Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
EQUITIES					
AXA	France	Financials	18,986	566	550
Accor SA	France	Consumer Discretionary	8,120	498	484
Adeco SA Reg.	Switzerland	Industrials	7,160	383	408
Aker Solutions ASA	Norway	Energy	15,410	328	186
Akzo Nobel NV	Netherlands	Materials	7,279	341	483
Alumina Ltd.	Australia	Materials	274,476	750	467
Assa Abloy AB B	Sweden	Industrials	25,370	479	441
Aviva PLC	United Kingdom	Financials	60,807	732	467
BAE Systems PLC	United Kingdom	Industrials	63,004	346	377
BG Group PLC	United Kingdom	Energy	22,150	419	413
BP PLC	United Kingdom	Energy	67,570	796	641
Banco Santander SA	Spain	Financials	38,051	565	658
Bayerische Motoren Werke AG	Germany	Consumer Discretionary	10,650	634	550
British Airways PLC	United Kingdom	Industrials	85,070	216	322
British Sky Broadcasting Group PLC	United Kingdom	Consumer Discretionary	53,450	641	523
Cadbury PLC	United Kingdom	Consumer Staples	31,291	384	430
Celesio AG	Germany	Health Care	15,160	713	447
Centrica PLC	United Kingdom	Utilities	73,330	409	316
Check Point Software Technologies Ltd.	Israel	Information Technology	22,539	558	684
Cheung Kong (Holdings) Ltd. ADR	Hong Kong	Financials	27,565	306	375
China Telecom Corp. Ltd. H	China	Telecommunication Services	834,000	393	422
Chunghwa Telecom Co. Ltd. ADR	Taiwan	Telecommunication Services	15,926	275	307
Compagnie Generale des Etablissements Michelin B	France	Consumer Discretionary	7,052	546	594
Compal Electronics Inc. GDR	Taiwan	Information Technology	54,207	299	338
Compass Group PLC	United Kingdom	Consumer Discretionary	53,700	295	352
DBS Group Holdings Ltd.	Singapore	Financials	50,508	337	506
Deutsche Post AG	Germany	Industrials	21,550	557	432
E.ON AG	Germany	Utilities	13,168	477	599
Eni SPA	Italy	Energy	18,314	579	491
FUJIFILM Holdings Corp.	Japan	Information Technology	16,000	652	509
Flextronics International Ltd.	Singapore	Information Technology	48,870	490	390
France Telecom SA	France	Telecommunication Services	26,820	793	768
G4S PLC	United Kingdom	Industrials	107,550	440	407
GDF Suez	France	Utilities	9,010	303	431
Gazprom ADR	Russia	Energy	11,400	499	288
GlaxoSmithKline PLC	United Kingdom	Health Care	24,810	691	523
HSBC Holdings PLC	Hong Kong	Financials	26,120	514	321
Hays PLC	United Kingdom	Industrials	63,699	119	114
ING Groep NV	Netherlands	Financials	27,402	658	524
Iberdrola SA	Spain	Utilities	37,205	342	391
Industria de Diseno Textil SA	Spain	Consumer Discretionary	4,422	208	272
Infineon Technologies AG	Germany	Information Technology	58,856	546	356
Intesa Sanpaolo SPA	Italy	Financials	84,055	543	398
KB Financial Group Inc. ADR	South Korea	Financials	7,188	418	395
KT Corp. ADR	South Korea	Telecommunication Services	7,920	197	147
Konica Minolta Holdings Inc.	Japan	Information Technology	36,500	410	368
Koninklijke Philips Electronics NV	Netherlands	Industrials	18,610	579	486
Mediaset SPA	Italy	Consumer Discretionary	58,191	689	437
Merck KGaA	Germany	Health Care	5,490	630	585
Mitsubishi UFJ Financial Group Inc.	Japan	Financials	22,700	308	130
Muenchener Rueckversicherungs - Gesellschaft AG (MunichRe) Reg.	Germany	Financials	2,670	445	456
National Australia Bank Ltd.	Australia	Financials	15,610	474	452
National Grid Transco PLC	United Kingdom	Utilities	13,728	159	142
Nestle SA Reg.	Switzerland	Consumer Staples	14,500	505	662
Nintendo Co. Ltd.	Japan	Information Technology	1,800	260	492
Nippon Telegraph & Telephone Corp. (NTT) ADR	Japan	Telecommunication Services	9,713	272	239
Niscayah Group AB	Sweden	Industrials	95,090	340	231
Nomura Holdings Inc.	Japan	Financials	13,400	211	88
Nordea Bank AB	Sweden	Financials	20,628	187	222
Novartis AG Reg.	Switzerland	Health Care	11,530	718	620
Olympus Corp.	Japan	Health Care	6,700	191	189
Pearson PLC	United Kingdom	Consumer Discretionary	16,052	238	212
Petroleo Brasileiro SA - Petrobras Pref. ADR	Brazil	Energy	8,270	200	348
Philippine Long Distance Telephone Co. ADR	Philippines	Telecommunication Services	7,340	228	403
Portugal Telecom SGPS SA	Portugal	Telecommunication Services	35,759	450	406

See accompanying notes to financial statements.

IG Templeton International Equity Class

INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

STATEMENT OF INVESTMENTS (continued)

at September 30, 2009 (unaudited)

	Country	Sector	No. of Units, Shares, or Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
EQUITIES (continued)					
Promise Co. Ltd.	Japan	Financials	13,204	447	77
Randstad Holding NV	Netherlands	Industrials	7,465	319	346
Reed Elsevier NV	Netherlands	Consumer Discretionary	36,191	524	438
Rentokil Initial PLC	United Kingdom	Industrials	198,570	643	387
Repsol YPF SA	Spain	Energy	15,668	414	457
Rexam PLC	United Kingdom	Materials	99,270	676	443
Rhoen-Klinikum AG	Germany	Health Care	8,650	199	236
Ricoh Co. Ltd.	Japan	Information Technology	30,000	427	463
Roche Holding AG Genussscheine	Switzerland	Health Care	3,990	600	691
Royal Dutch Shell PLC B	United Kingdom	Energy	15,835	565	471
SAP AG	Germany	Information Technology	11,540	494	602
SBM Offshore NV	Netherlands	Energy	17,135	382	391
Samsung Electronics Co. Ltd.	South Korea	Information Technology	537	339	397
Samsung Electronics Co. Ltd. GDR	South Korea	Information Technology	1,320	375	482
Sanofi-Aventis	France	Health Care	6,445	624	507
Siemens AG	Germany	Industrials	6,914	690	686
Singapore Telecommunications Ltd.	Singapore	Telecommunication Services	235,000	593	578
Smiths Group PLC	United Kingdom	Industrials	17,345	421	264
Sony Corp.	Japan	Consumer Discretionary	12,000	585	376
Sony Corp. ADR	Japan	Consumer Discretionary	2,070	114	65
Standard Life PLC	United Kingdom	Financials	56,160	281	211
Swire Pacific Ltd. Class A ADR	Hong Kong	Financials	18,800	163	232
Swiss Reinsurance Co. AG Reg.	Switzerland	Financials	7,548	668	365
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	Taiwan	Information Technology	45,395	399	532
Takeda Pharmaceutical Co. Ltd.	Japan	Health Care	8,467	528	377
Telecom Italia SPA RNC	Italy	Telecommunication Services	208,582	375	275
Telefonica SA	Spain	Telecommunication Services	29,426	573	870
Telefonos de Mexico SAB de CV (Telmex) Series L ADR	Mexico	Telecommunication Services	14,718	209	274
Telekom Austria AG	Austria	Telecommunication Services	23,470	611	453
Telenor ASA	Norway	Telecommunication Services	45,400	492	564
Total SA	France	Energy	10,760	801	686
Toyota Motor Corp.	Japan	Consumer Discretionary	6,000	251	253
UBS AG Reg.	Switzerland	Financials	8,221	328	161
UniCredit SPA	Italy	Financials	130,143	820	546
Unilever NV CVA	Netherlands	Consumer Staples	21,982	622	679
Vale SA Pref. A ADR	Brazil	Materials	21,844	181	480
Vivendi SA	France	Consumer Discretionary	14,408	468	478
Vodafone Group PLC	United Kingdom	Telecommunication Services	267,530	772	643
				46,702	43,101
COMMISSIONS AND OTHER PORTFOLIO TRANSACTION COSTS				(97)	-
TOTAL INVESTMENTS				<u>46,605</u>	<u>43,101</u>
Net Assets:					
Total investments					43,101
Cash and cash equivalents					964
Other net assets (liabilities)					411
					<u>44,476</u>

See accompanying notes to financial statements.

1. Organization of the Corporation, the Fund, fiscal periods and general information**(a) Organization of the Corporation, the Fund and fiscal periods**

Investors Group Corporate Class Inc. (the "Corporation") is a mutual fund corporation incorporated under the laws of Canada on July 17, 2002. The Fund is a class of shares of the Corporation. The Corporation is authorized to issue an unlimited number of common shares and mutual fund shares. Series Z shares are only available for purchase by other Investors Group Funds or other accredited institutional investors. All series generally share in the operations of the Fund, including net income, realized gain (loss) and unrealized gain (loss), on a pro rata basis except for items that can be specifically attributed to one or more series. Dividends for each series may vary, partly due to the differences in expenses between the series.

The financial statements of the Fund are presented as at and for six-month periods ended September 30, 2009 and 2008, except for the comparative information presented in the Statement of Net Assets which is as of March 31, 2009. If applicable, financial results for the Fund or series established during the periods are presented from the date operations commenced to September 30, as applicable, of that fiscal period.

Effective after the close of business on September 30, 2008, the Fund changed its financial year-end from September 30 to March 31.

(b) General information

I.G. Investment Management, Ltd. is the Manager of 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 Financial Corp. and Power Corporation of Canada. Power Financial Corp. also owns a majority of Great-West Lifeco Inc. and its related companies and, therefore, those companies are considered affiliates of the Manager and Distributors. The Fund may invest in certain securities within the Power Group of Companies, subject to certain governance criteria, and these holdings, as of September 30, 2009, have been identified on the Statement of Investments for the Fund. Any transactions during the period were executed through market intermediaries and under prevailing market terms and conditions.

The Fund, from time to time, may enter into security trades with other Funds which have the same Manager. These trades are executed through market intermediaries and under prevailing market terms and conditions.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). GAAP requires Management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results may differ from such estimates. The notes to these interim financial statements may be presented in a condensed or summarized format and, therefore, should be read in conjunction with the Fund's March 31, 2009 annual financial statements. These interim financial statements follow the same accounting policies and methods of their application as those used in preparing the annual financial statements. The significant accounting policies of the Fund are as follows:

(a) Valuation of investments

Investments are deemed to be held for trading in accordance with CICA Section 3855, Financial Instruments – Recognition and Measurement ("Section 3855") and therefore are recorded at fair value. Investment purchase and sale transactions are recorded as of the trade date. Realized and unrealized gains and losses on investments are calculated based on average cost of investments, excluding brokerage commissions and other trading costs. Brokers' commissions and other transaction charges are immediately charged to net income in the period incurred. Cost of securities presented in the Statement of Investments represents the amount paid for each security, including brokerage commissions and other trading costs, and is determined on an average cost basis.

(i) Equity securities, bonds and other mutual funds

Investments in securities listed on a public securities exchange or traded on an over-the-counter market are valued at the closing bid price. Securities with no available closing bid prices are valued at the last trade or closing price. Investments in securities of another mutual fund are valued on a business day at the net asset value per security calculated in accordance with the offering documents of such mutual fund. Unlisted or non-exchange traded securities, or securities for which a bid price, last sale or closing price are 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 contracts

Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded. The value of a contract is the gain or loss that would be realized upon closure. Margin paid or deposited in respect of futures contracts is included in net receivable for variation on futures contracts in the Statements of Net Assets. Any change in the variation margin requirement is settled daily.

(iii) Forward currency contracts

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

(b) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on deposit and short-term debt instruments with terms to maturity of less than one year at acquisition. Cash and cash equivalents are deemed to be held for trading and therefore carried at fair value.

(c) Currency

All amounts are expressed in Canadian dollars. The par value of securities in the Statement of Investments is expressed in the currency of origin unless otherwise noted. For securities of Austria, Belgium, France, Finland, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain, par values are expressed in euro currency, unless otherwise noted. 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 period.

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

(d) Income recognition

Income from investments is recognized on an accrual basis. Dividend income is recognized at the time a security trades on an ex-dividend basis. Interest income is based on the number of days the investment is held during the period.

2. Summary of significant accounting policies (continued)

(e) 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 Statements of Operations. All the 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 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 10. Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments, and financial institutions.

(f) Per share information

- (i) Net assets per share is computed by dividing the net assets attributable to a series, determined in accordance with GAAP, by the total number of shares of the series outstanding.
- (ii) Net increase/(decrease) in net assets from operations per share, represents the net increase/(decrease) in net assets of the series from operations for the period divided by the weighted average shares outstanding for the series during the period.

(g) Other assets and liabilities

For the purposes of categorization in accordance with Section 3855, accrued interest and dividends receivable for securities issued, amounts due from brokers, the Manager, and other net assets are designated as loans and receivables and recorded at cost or amortized cost. Similarly, amounts due to brokers, accounts payable for securities redeemed, accrued expenses and other liabilities are designated as other financial liabilities and reported at cost or amortized cost. Cost or amortized cost approximates fair value for these assets and liabilities.

(h) Comparative figures

Certain prior period comparative amounts have been restated to conform to the current period's presentation.

(i) Changes in accounting policies

On October 1, 2007, the Fund adopted CICA Section 3862, Financial Instruments – Disclosures (“Section 3862”) and CICA Section 3863, Financial Instruments – Presentation (“Section 3863”), replacing Section 3861. Section 3862 requires enhanced disclosure of the nature and extent of the risks arising from financial instruments and how the Fund manages those risks. Section 3863 carries forward unchanged the presentation requirements of Section 3861 with respect to financial instruments.

Effective October 1, 2008, the Fund adopted EIC-173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. EIC-173 clarifies that credit risk and counterparty risk should be considered in determining the fair value of financial instruments. The adoption of EIC-173 did not have an impact on the Fund's financial statements.

(j) Future accounting changes

The CICA has issued amendments to CICA 3862, Financial Instruments – Disclosures to align with IFRS 7, Financial Instruments – Disclosures. The amendments require all financial instruments measured at fair value to be classified into one of three levels that distinguish fair value measurements by the inputs used for valuation. The amendments are effective for annual financial statements relating to fiscal years ending after September 30, 2009. The Fund will include these disclosures in its annual financial statements for the year ending March 31, 2010.

The Canadian Accounting Standards Board (AcSB) has confirmed its plan to adopt all International Financial Reporting Standards (IFRS), as published by the International Accounting Standards Board, on or by January 1, 2011. Accordingly, the Fund intends to adopt IFRS in accordance with the AcSB's plan. The Fund will issue its initial financial statements under IFRS for the interim period ended September 30, 2011.

The Manager has commenced planning for the changeover to IFRS. Elements of that plan include identifying key differences between Canadian GAAP and IFRS and evaluating the likely impacts on all aspects of related business activities.

Based on the Manager's current evaluation of the differences between Canadian GAAP and IFRS, the impact of the changeover to IFRS is expected to be limited to additional note disclosure and potentially different overall presentation of financial statements with no significant impact to the net asset value per security. However, this current assessment is subject to change resulting from the issuance of new standards or new interpretations of existing standards.

3. 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. Common expenses of the Corporation are allocated across the Funds on a pro rata basis.
- (b) The Manager provides or arranges for the provision of investment and advisory services for a management fee. See Note 10 for the annual rate paid (as a percent of average assets) by the Fund.
- (c) The Fund pays the Manager an administrative services fee and in return the Manager will bear the operating expenses of the Fund, other than certain specified Fund costs. See Note 10 for the annual rates paid, including applicable implementation period adjustments (as a percent of average assets) by the Fund.
Other Fund costs include taxes (including but not limited to GST, income tax and capital 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. See Note 10 for the annual rates paid (as a percent of average assets) by the Fund.
- (e) GST paid by the Fund on its expenses is not recoverable.
- (f) Other expenses are comprised of interest and borrowing charges, IRC costs and other miscellaneous expenses.
- (g) The Manager may, at its discretion, pay certain expenses of the Fund so 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 period have been identified in the Statements of Operations.

4. Net asset value per share

Net asset value (“pricing NAV”) per share is computed by dividing the net asset value attributable to a series, determined for the purchase and redemption of shares in accordance with the Fund's prospectus and annual information form, by the total number of shares of the series outstanding. This amount may be different from the net asset per share calculation, which is presented on the Statement of Net Assets. Generally, any difference is due to valuing actively traded securities at bid price for GAAP purposes while pricing NAV typically utilizes closing price to determine fair value for the purchase and redemption of shares. See Note 10 for the net asset values per share as of September 30, 2009 and March 31, 2009, for the Fund.

5. Income taxes

The Corporation qualifies as a mutual fund corporation under the Income Tax Act (Canada). As a mutual fund corporation, the Corporation computes its net income (loss) and net capital gains (losses) for income tax purposes as a single entity, not on a fund-by-fund basis. Therefore, net losses of one Corporate Class Fund may be used to offset net gains of another Corporate Class Fund to reduce the total net income or net gain of the Corporation as a whole. The taxation year-end for the Corporation is December 31.

The general income tax rules associated with a public corporation also apply to a mutual fund corporation with the exception that income taxes payable on capital gains are refundable on a formula basis when issued shares of the Corporation are redeemed or capital gain dividends are paid. The Corporation is subject to a refundable tax of one-third of dividends received from certain taxable Canadian corporations. This tax is refundable at the rate of \$1 for every \$3 of ordinary dividends paid. To the extent there is net income from other sources (such as interest and foreign income), it is taxed at the full general corporate rate before the general rate reductions. In the event that there is an overall loss for the Corporation, this loss can be carried back three years or forward to a subsequent year and used to reduce taxes payable for those years.

5. Income taxes (continued)

As of the end of the last taxation year, the Corporation had \$47,905,000 of capital losses available to offset future capital gains (March 31, 2009 – \$47,905,000).

The Corporation, and each Fund, follows the asset and liability method of accounting for income taxes whereby future income tax assets and liabilities reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Future income tax assets and liabilities are measured based on the enacted or substantively enacted tax rates which are expected to be in effect when the underlying items of income or expense are expected to be realized.

Temporary differences between the carrying value of assets and liabilities for accounting and tax purposes give rise to future income tax assets and liabilities. Where the fair value of the portfolio investments exceeds their cost, a future tax liability arises. This future tax liability for refundable taxes payable is offset with the refund expected upon payment of capital gains dividends. Where the cost of the portfolio investments exceeds their fair value, a future tax asset is generated. A full valuation allowance is taken to offset this asset given the uncertainty that such future assets will ultimately be realized by the Fund.

6. Soft dollars

The total commissions paid by the Fund to brokers in connection with portfolio transactions for the periods ended September 30, 2009 and 2008, together with other transaction charges, is disclosed in the Statement of Operations. Brokerage business is allocated to brokers based on the best net result for the Fund. Subject to this criteria, preference may be given to brokerage firms which provide (or pay for) certain services (arrangements referred to as “soft dollars”), which may include investment research, analysis and reports, and data bases 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 10. The value of certain proprietary services provided by brokers cannot be reasonably estimated.

7. Contingent liability

Agreements between the individual members of the Fund’s IRC and the Manager, 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.

8. Financial instrument risk

The Fund’s investment activities expose it to a variety of financial risks. The Statement of Investments presents the securities held by the Fund as at the end of the period.

(a) Liquidity risk

The Fund is exposed to daily cash redemptions of redeemable units. In accordance with securities regulations, the Fund must maintain at least 90% of its assets in liquid investments (i.e. investments that are traded in an active market and can be readily sold). In addition, the Fund retains sufficient cash and cash-equivalent positions to maintain adequate liquidity.

The Fund also has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions. The Statement of Investments identifies any securities that are not actively traded.

(b) 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 reporting currency, will fluctuate due to changes in exchange rates.

Note 10 indicates the foreign currencies, if applicable, to which the Fund had significant exposure, including the underlying principal amount of forward currency contracts as at period end in Canadian dollar terms. Other financial assets and liabilities (including dividends and interest receivable, and receivables/payables for securities sold/purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.

(c) Interest rate risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. 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. 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. Note 10 summarizes the Fund’s exposure, if significant, to interest rate risk.

(d) 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 all factors affecting all instruments traded in a market or market segment. All securities 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 strategy. Except for options written and futures contracts, the maximum risk resulting from financial instruments is equivalent to their fair value. The maximum risk of loss on options written and futures contracts is equal to their notional values. However, options written are used within the overall investment management process to manage the risk from the underlying securities and do not typically increase the overall risk of loss to the Fund. Note 10 summarizes the Fund’s exposure, if significant, to other price risk.

(e) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. Note 10 summarizes the Fund’s exposure, if significant, to credit risk arising from debt securities such as bonds.

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

9. Further information available

A copy of the Fund’s current simplified prospectus, annual information form and/or Interim Management Report of Fund Performance, will be provided, without charge, by writing to: Investors Group Financial Services Inc., 447 Portage Avenue, Winnipeg, Manitoba, R3C 3B6 or, in Quebec, 2001, rue University, Bureau 2000, Montreal, Quebec, H3A 2A6, or by calling toll-free 1-888-746-6344 (in Quebec 1-800-661-4578).

10. Fund specific information

(a) Fund and series information

Series	Date operations commenced ¹	Deferred sales charge	Management fee	Service fee	Administration fee ²	Net asset value per share (\$)	
						as of September 30 2009	as of March 31 2009
Series A	n/a	up to 5.50%	2.00%	0.30%	0.27%	11.78	9.35
Series B	n/a	- %	2.00%	0.45%	0.27%	11.68	9.27

¹ If within the two financial periods ended September 30, 2009.

² The Administration fee presented in the table corresponds to the period ended September 30, 2009. Comparative figures for the period ended September 30, 2008 were: Series A: 0.25%; Series B: 0.25%.

(b) Soft dollars generated (\$ 000)

For the six-month periods ended September 30

2009	2008
2	-

(c) Securities lending (\$ 000)

September 30, 2009		March 31, 2009	
Value of securities loaned	Value of collateral received	Value of securities loaned	Value of collateral received
1,095	1,164	3,289	3,576

(d) Financial instrument risk

(i) 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, diversifying the investment portfolio within the constraints of the investment objective, and periodically may use derivatives to hedge certain risk exposures. To assist in managing risk, the Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations.

The investment portfolio is comprised mainly of equity investments outside Canada and the U.S. The Fund generally invests in common shares of corporations whose share prices are considered undervalued but have strong growth potential.

(ii) Currency risk

The table below indicates the foreign currencies to which the Fund had significant exposure as of September 30, 2009, and March 31, 2009, in Canadian dollar terms. The table also illustrates the potential impact to the Fund's net assets had the Canadian dollar strengthened or weakened by 5% relative to all foreign currencies, all other variables held. In practice, the actual trading results may differ and the difference could be material.

Currency	September 30, 2009					March 31, 2009				
	Investments (\$ 000)	Cash and cash equivalents (\$ 000)	Forward currency contracts (\$ 000)	Net exposure* (\$ 000)	Impact on net assets (\$ 000)	Investments (\$ 000)	Cash and cash equivalents (\$ 000)	Forward currency contracts (\$ 000)	Net exposure* (\$ 000)	Impact on net assets (\$ 000)
Euro	18,448	125	-	18,573		12,466	27	-	12,493	
United Kingdom pounds	7,657	58	-	7,715		6,774	50	-	6,824	
United States dollars	5,980	60	-	6,040		4,746	17	-	4,763	
Japanese yen	3,321	-	-	3,321		3,079	8	-	3,087	
Swiss franc	2,908	-	-	2,908		2,084	30	-	2,114	
Other currencies	4,787	20	-	4,807		3,411	58	-	3,469	
Total	43,101	263	-	43,364	2,168	32,560	190	-	32,750	1,638
As percent of net assets (%)				97.5	4.9				95.6	4.8

*includes both monetary and non-monetary financial instruments.

(iii) Interest rate risk

As of September 30, 2009, and March 31, 2009, the Fund did not have a significant exposure to interest rate risk.

(iv) Other price risk

For this Fund, the most significant exposure to other price risk arises from its investment in equity securities. As of September 30, 2009, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$4,310,000 or 9.7% of total net assets (March 31, 2009 – approximately \$3,256,000 or 9.5% of total net assets). In practice, the actual trading results may differ and the difference could be material.

(v) Credit risk

As of September 30, 2009, and March 31, 2009, the Fund did not have a significant exposure to credit risk.

