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# IG Mackenzie Income Fund

## **Annual Financial Statements**

FOR THE PERIOD ENDED MARCH 31, 2010

# IG Mackenzie Income Fund

ANNUAL FINANCIAL STATEMENTS

MARCH 31, 2010

## STATEMENTS OF NET ASSETS

as at (in \$ 000 except per unit amounts)

	Mar. 31 2010	Mar. 31 2009	Sep. 30 2008
<b>Assets:</b>			
Investments	537,469	436,257	447,068
Cash and cash equivalents	37,926	174	-
Accrued interest and dividends receivable	6,608	5,131	5,356
Taxes recoverable (payable)	-	-	-
Accounts receivable for securities sold	21	39	68
Due from brokers	1,672	7,107	33,208
Due from manager	-	1	-
Due from other funds	3	2,143	11,998
Net margin on futures contracts	-	-	-
Unrealized gains on forward contracts and other derivatives	-	112	-
Other assets	-	-	-
	46,230	14,707	50,630
<b>Total assets</b>	<b>583,699</b>	<b>450,964</b>	<b>497,698</b>
<b>Liabilities:</b>			
Bank overdraft	-	-	14,758
Due to brokers	2,322	6,570	24,018
Accounts payable for securities redeemed	23	18	4
Accrued expenses	-	-	-
Due to other funds	818	-	-
Liability for options written	-	-	-
Unrealized losses on forward contracts and other derivatives	-	36	-
Other liabilities	1	-	-
<b>Total liabilities</b>	<b>3,164</b>	<b>6,624</b>	<b>38,780</b>
<b>Net assets</b>	<b>580,535</b>	<b>444,340</b>	<b>458,918</b>
<b>Net assets per series, end of period</b>			
Series C	211,376	184,234	177,642
Series P	10,718	n/a	n/a
Series S	828	n/a	n/a
Series Z	357,613	260,106	281,276
<b>Net assets per unit, end of period</b>			
Series C	10.64	10.40	10.29
Series P	10.36	n/a	n/a
Series S	9.98	n/a	n/a
Series Z	10.69	10.44	10.32

## STATEMENTS OF OPERATIONS

for the periods (in \$ 000 except per unit amounts)

	12 months Mar. 31 2010	6 months Mar. 31 2009	12 months Sep. 30 2008
<b>Income:</b>			
Dividends	-	-	-
Trust income	-	-	-
Interest and other income	24,269	10,908	22,175
Income (loss) from derivatives	-	-	-
Securities lending	42	24	58
Foreign withholding taxes	(5)	-	-
	24,306	10,932	22,233
<b>Expenses:</b>			
Management fees	8,338	3,569	7,577
Management fee rebates	(2)	-	-
Service fees	-	-	-
Service fee rebates	-	-	-
Administration fees	280	145	231
Trustee fees	253	108	230
Goods and services tax	444	191	421
Independent Review Committee costs	4	1	2
Other	2	16	-
	9,319	4,030	8,461
<b>Net income (loss)</b>	<b>14,987</b>	<b>6,902</b>	<b>13,772</b>
Realized gain (loss)	2,596	2,227	3,170
Unrealized gain (loss)	9,766	6,110	(1,918)
Commissions and other portfolio transaction costs	-	-	-
<b>Net realized and unrealized gain (loss)</b>			
<b>from investments and foreign exchange</b>	<b>12,362</b>	<b>8,337</b>	<b>1,252</b>
<b>Net increase (decrease) in net assets</b>			
<b>from operations</b>	<b>27,349</b>	<b>15,239</b>	<b>15,024</b>
<b>Net increase (decrease) in net assets</b>			
<b>from operations per series</b>			
Series C	9,898	5,924	5,422
Series P	209	n/a	n/a
Series S	-	n/a	n/a
Series Z	17,242	9,315	9,602
<b>Net increase (decrease) in net assets</b>			
<b>from operations per unit</b>			
Series C	0.55	0.34	0.33
Series P	0.58	n/a	n/a
Series S	0.09	n/a	n/a
Series Z	0.56	0.35	0.35

# IG Mackenzie Income Fund

ANNUAL FINANCIAL STATEMENTS

MARCH 31, 2010

## STATEMENTS OF CHANGES IN NET ASSETS

for the periods (in \$ 000 except when stated)

	12 months Mar. 31 2010	6 months Mar. 31 2009	12 months Sep. 30 2008
<b>Series C</b>			
<b>Net assets, beginning of period</b>	184,234	177,642	168,581
Increase (decrease) in net assets resulting from:			
<b>Operations</b>	9,898	5,924	5,422
<b>Distributions:</b>			
Income	(5,615)	(2,893)	(5,418)
Capital gains	-	(1,136)	-
Management fee rebates	(2)	-	-
Service fee rebates	-	-	-
<b>Total distributions</b>	(5,617)	(4,029)	(5,418)
<b>Unit transactions:</b>			
Proceeds from sale of units	55,060	21,449	36,703
Reinvested from distributions	5,597	4,015	5,394
Payment on redemption of units	(37,796)	(20,767)	(33,040)
<b>Total unit transactions</b>	22,861	4,697	9,057
<b>Increase (decrease) in net assets</b>	27,142	6,592	9,061
<b>Net assets, end of period</b>	211,376	184,234	177,642
<b>Series P</b>			
<b>Net assets, beginning of period</b>	-	-	-
Increase (decrease) in net assets resulting from:			
<b>Operations</b>	209	-	-
<b>Distributions:</b>			
Income	(109)	-	-
Capital gains	-	-	-
Management fee rebates	-	-	-
<b>Total distributions</b>	(109)	-	-
<b>Unit transactions:</b>			
Proceeds from sale of units	10,854	-	-
Reinvested from distributions	109	-	-
Payment on redemption of units	(345)	-	-
<b>Total unit transactions</b>	10,618	-	-
<b>Increase (decrease) in net assets</b>	10,718	-	-
<b>Net assets, end of period</b>	10,718	-	-
<b>Series S</b>			
<b>Net assets, beginning of period</b>	-	-	-
Increase (decrease) in net assets resulting from:			
<b>Operations</b>	-	-	-
<b>Distributions:</b>			
Income	(3)	-	-
Capital gains	-	-	-
Management fee rebates	-	-	-
<b>Total distributions</b>	(3)	-	-
<b>Unit transactions:</b>			
Proceeds from sale of units	931	-	-
Reinvested from distributions	3	-	-
Payment on redemption of units	(103)	-	-
<b>Total unit transactions</b>	831	-	-
<b>Increase (decrease) in net assets</b>	828	-	-
<b>Net assets, end of period</b>	828	-	-

	12 months Mar. 31 2010	6 months Mar. 31 2009	12 months Sep. 30 2008
<b>Series Z</b>			
<b>Net assets, beginning of period</b>	260,106	281,276	266,256
Increase (decrease) in net assets resulting from:			
<b>Operations</b>	17,242	9,315	9,602
<b>Distributions:</b>			
Income	(9,132)	(4,087)	(8,697)
Capital gains	-	(1,565)	-
Management fee rebates	-	-	-
<b>Total distributions</b>	(9,132)	(5,652)	(8,697)
<b>Unit transactions:</b>			
Proceeds from sale of units	233,317	172,636	224,571
Reinvested from distributions	9,132	5,652	8,697
Payment on redemption of units	(153,052)	(203,121)	(219,153)
<b>Total unit transactions</b>	89,397	(24,833)	14,115
<b>Increase (decrease) in net assets</b>	97,507	(21,170)	15,020
<b>Net assets, end of period</b>	357,613	260,106	281,276
<b>Total</b>			
<b>Net assets, beginning of period</b>	444,340	458,918	434,837
Increase (decrease) in net assets resulting from:			
<b>Operations</b>	27,349	15,239	15,024
<b>Distributions:</b>			
Income	(14,859)	(6,980)	(14,115)
Capital gains	-	(2,701)	-
Management fee rebates	(2)	-	-
Service fee rebates	-	-	-
<b>Total distributions</b>	(14,861)	(9,681)	(14,115)
<b>Unit transactions:</b>			
Proceeds from sale of units	300,162	194,085	261,274
Reinvested from distributions	14,841	9,667	14,091
Payment on redemption of units	(191,296)	(223,888)	(252,193)
<b>Total unit transactions</b>	123,707	(20,136)	23,172
<b>Increase (decrease) in net assets</b>	136,195	(14,578)	24,081
<b>Net assets, end of period</b>	580,535	444,340	458,918

### Increase (decrease) in units (in thousands):

<b>Series C</b>			
<b>Units outstanding, beginning of period</b>	17,723	17,271	16,404
Add (deduct):			
Units sold	5,211	2,071	3,512
Reinvested from distributions	531	388	518
Units redeemed	(3,590)	(2,007)	(3,163)
<b>Units outstanding, end of period</b>	19,875	17,723	17,271
<b>Series P</b>			
<b>Units outstanding, beginning of period</b>	-	-	-
Add (deduct):			
Units sold	1,057	-	-
Reinvested from distributions	10	-	-
Units redeemed	(33)	-	-
<b>Units outstanding, end of period</b>	1,034	-	-
<b>Series S</b>			
<b>Units outstanding, beginning of period</b>	-	-	-
Add (deduct):			
Units sold	93	-	-
Reinvested from distributions	-	-	-
Units redeemed	(10)	-	-
<b>Units outstanding, end of period</b>	83	-	-
<b>Series Z</b>			
<b>Units outstanding, beginning of period</b>	24,928	27,265	25,868
Add (deduct):			
Units sold	22,159	16,659	21,448
Reinvested from distributions	863	544	832
Units redeemed	(14,502)	(19,540)	(20,883)
<b>Units outstanding, end of period</b>	33,448	24,928	27,265

STATEMENT OF INVESTMENTS

at March 31, 2010

	Country	Sector	No. of Units, Shares, or Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>FIXED INCOME</b>					
The 55 School Board Trust 5.90% 06-02-33	Canada	Provincial Governments	5,300,000	5,661	5,737
Access Justice Durham 5.015% 08-31-39	Canada	Corporate - Non Convertible	4,718,000	4,688	4,190
Algonquin Credit Card Trust 4.89% 07-15-11	Canada	Corporate - Non Convertible	500,000	499	516
Algonquin Credit Card Trust 5.16% 07-15-11	Canada	Corporate - Non Convertible	6,000,000	6,000	6,030
Algonquin Credit Card Trust 4.56% 06-15-12	Canada	Corporate - Non Convertible	5,610,000	5,437	5,778
American Express Canada Credit Corp. 5.90% 04-02-13	Canada	Corporate - Non Convertible	6,225,000	6,269	6,655
American Express Canada Credit Corp. 4.85% 10-03-14	Canada	Corporate - Non Convertible	2,000,000	2,000	2,069
BMW Canada Auto Trust 3.05% 09-22-14 Class A-2 Private Placement	Canada	Corporate - Non Convertible	4,500,000	4,500	4,534
Bank of Montreal 5.75% 09-26-22 (F/R @ 09-26-17) Callable 2017	Canada	Corporate - Non Convertible	2,000,000	1,828	2,184
The Bank of Nova Scotia 3.03% 06-04-12	Canada	Corporate - Non Convertible	3,700,000	3,700	3,750
The Bank of Nova Scotia 4.90% 12-01-12	Canada	Mortgage Backed	857,973	886	909
The Bank of Nova Scotia 4.31% 10-01-13	Canada	Mortgage Backed	684,641	712	703
The Bank of Nova Scotia 6.00% 10-03-18 (F/R @ 10-13-13) Callable 2013	Canada	Corporate - Non Convertible	7,695,000	7,749	8,394
The Bank of Nova Scotia 6.45% 01-01-25	Canada	Mortgage Backed	3,358,066	3,829	3,885
Bell Aliant Regional Communications LP 6.29% 02-17-15	Canada	Corporate - Non Convertible	3,475,000	3,502	3,796
Broadway Credit Card Trust 5.45% 06-17-13	Canada	Corporate - Non Convertible	2,400,000	2,545	2,516
CDP Financial Inc. 4.60% 07-15-20	Canada	Corporate - Non Convertible	2,780,000	2,774	2,807
CHIP Mortgage Trust 4.30% 11-01-10	Canada	Corporate - Non Convertible	6,770,000	6,739	6,890
CHIP Mortgage Trust 4.54% 08-01-12	Canada	Corporate - Non Convertible	3,500,000	3,500	3,616
CHIP Mortgage Trust 4.64% 02-01-13	Canada	Corporate - Non Convertible	4,190,000	4,127	4,329
CI Financial Corp. 3.30% 12-17-12	Canada	Corporate - Non Convertible	2,510,000	2,510	2,513
CIBC Capital Trust 9.98% 06-30-2108 (F/R @ 06-30-19) Callable 2019	Canada	Corporate - Non Convertible	2,020,000	2,020	2,681
Calloway Real Estate Investment Trust 4.51% 09-22-10 Callable	Canada	Corporate - Non Convertible	520,000	520	524
Cameco Corp. 5.67% 09-02-19 Series D	Canada	Corporate - Non Convertible	3,100,000	3,113	3,244
Canada Capital Auto Receivables Asset Trust 3.05% 07-17-14	Canada	Corporate - Non Convertible	2,310,000	2,310	2,302
Canadian Imperial Bank of Commerce 3.05% 06-03-13	Canada	Corporate - Non Convertible	5,880,000	5,877	5,907
Canadian Tire Corp. Ltd. 6.32% 02-24-34	Canada	Corporate - Non Convertible	1,800,000	1,799	1,810
Canadian Western Bank 5.07% 03-22-12	Canada	Corporate - Non Convertible	5,300,000	5,300	5,509
City of Montreal 5.45% 12-01-19	Canada	Municipal Governments	2,200,000	2,349	2,339
City of Montreal 5.50% 12-01-24	Canada	Municipal Governments	3,240,000	3,371	3,347
City of Toronto 5.05% 07-18-17	Canada	Municipal Governments	2,550,000	2,724	2,694
City of Toronto 4.50% 12-02-19	Canada	Municipal Governments	5,100,000	5,084	5,072
Column Canada Issuer Corp. 5.94% 02-12-12	Canada	Mortgage Backed	1,100,000	1,101	1,145
Column Canada Issuer Corp. 4.93% 01-15-22	Canada	Mortgage Backed	3,900,000	3,900	3,389
<sup>1</sup> Commonwealth Bank of Australia 3.625% 10-14-14	Australia	Corporate - Non Convertible	7,390,000	7,401	7,305
DundeeWealth Inc. 5.10% 09-25-14	Canada	Corporate - Non Convertible	3,050,000	3,050	3,055
ERAC Canada Finance Ltd. 5.38% 02-26-16	Canada	Corporate - Non Convertible	3,000,000	2,998	3,017
Equitable Trust 5.20% 01-01-13	Canada	Mortgage Backed	7,476,877	7,740	7,951
Falcon Trust 5.06% 01-15-14	Canada	Mortgage Backed	500,000	459	448
Falcon Trust 5.06% 01-15-21	Canada	Mortgage Backed	757,819	758	767
Ford Auto Securitization Trust 6.34% 01-15-14	Canada	Corporate - Non Convertible	7,300,000	7,473	7,788
Ford Floorplan Auto Securitization Trust 4.70% 11-15-11	Canada	Corporate - Non Convertible	3,150,000	3,126	3,218
Genesis Trust 4.245% 09-15-11	Canada	Corporate - Non Convertible	5,000,000	5,191	5,173
Genesis Trust 4.43% 09-15-11	Canada	Corporate - Non Convertible	2,200,000	2,286	2,253
Glacier Credit Card Trust 4.51% 11-19-10	Canada	Corporate - Non Convertible	2,000,000	2,000	2,015
Gloucester Credit Card Trust 5.38% 06-15-10	Canada	Corporate - Non Convertible	3,325,000	3,325	3,341
Gloucester Credit Card Trust 4.99% 03-15-11	Canada	Corporate - Non Convertible	2,500,000	2,500	2,512
Gloucester Credit Card Trust 5.335% 05-15-13	Canada	Corporate - Non Convertible	6,310,000	6,400	6,557
Gloucester Credit Card Trust 5.38% 05-15-14	Canada	Corporate - Non Convertible	7,000,000	7,421	7,330
Government of Canada 3.50% 06-01-13	Canada	Federal Government	2,800,000	2,911	2,895
Government of Canada 4.00% 06-01-17	Canada	Federal Government	8,295,000	8,940	8,659
Government of Canada 3.75% 06-01-19	Canada	Federal Government	8,640,000	8,947	8,761
Government of Canada 3.50% 06-01-20	Canada	Federal Government	2,195,000	2,179	2,165
Government of Canada 4.25% 12-01-21 Real Return	Canada	Federal Government	4,550,000	7,800	8,320
Government of Canada 8.00% 06-01-23	Canada	Federal Government	9,825,000	14,475	13,962
Government of Canada 8.00% 06-01-27	Canada	Federal Government	13,000,000	19,380	19,338
Government of Canada 5.75% 06-01-29	Canada	Federal Government	11,245,000	13,674	13,729
Government of Canada 5.75% 06-01-33	Canada	Federal Government	553,000	685	688
Government of Canada 5.00% 06-01-37	Canada	Federal Government	9,570,000	11,019	11,030
Government of Canada 4.00% 06-01-41	Canada	Federal Government	1,670,000	1,687	1,662
Government of Canada 2.00% 12-01-41 Real Return	Canada	Federal Government	12,360,000	14,119	14,314
Griffiths McBurney LP 7.55% 11-01-13 Private Placement	Canada	Corporate - Non Convertible	4,500,000	4,500	4,991
HomeEquity Bank 9.71% 10-31-14	Canada	Corporate - Non Convertible	2,000,000	2,000	2,010
Honda Canada Finance Inc. 5.675% 09-26-12	Canada	Corporate - Non Convertible	4,100,000	4,100	4,385
Honda Canada Finance Inc. 5.08% 05-09-13	Canada	Corporate - Non Convertible	3,500,000	3,500	3,695
Hydro One Inc. 5.77% 11-15-12	Canada	Corporate - Non Convertible	2,970,000	3,270	3,212
<sup>1</sup> Instituto de Credito Oficial (ICO) 5.00% 03-31-20	Spain	Foreign Governments	5,000,000	5,317	4,901
John Deere Credit Inc. 4.80% 04-20-12	Canada	Corporate - Non Convertible	3,200,000	3,296	3,358
MI Developments Inc. 6.05% 12-22-16	Canada	Corporate - Non Convertible	2,500,000	2,489	2,353
Manulife Bank of Canada 3.97% 04-01-13	Canada	Corporate - Non Convertible	905,820	906	894
Manulife Financial Corp. 4.90% 06-02-14	Canada	Corporate - Non Convertible	4,980,000	4,980	5,269

<sup>1</sup> Par Value expressed in Canadian dollars.

See accompanying notes to financial statements.

# IG Mackenzie Income Fund

ANNUAL FINANCIAL STATEMENTS

MARCH 31, 2010

## STATEMENT OF INVESTMENTS (continued)

at March 31, 2010

	Country	Sector	No. of Units, Shares, or Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>FIXED INCOME (continued)</b>					
Master Credit Card Trust 5.30% 08-21-12	Canada	Corporate - Non Convertible	1,500,000	1,555	1,596
Merrill Lynch Financial Assets Inc. 4.60% 05-12-14	Canada	Mortgage Backed	558,385	558	570
Merrill Lynch Financial Assets Inc. 5.44% 03-12-36	Canada	Mortgage Backed	4,000,000	3,780	4,129
Merrill Lynch Mortgage Loans Inc. 6.75% 11-15-32	Canada	Mortgage Backed	6,000,000	6,741	6,078
<sup>1</sup> Metropolitan Life Global Funding I 4.50% 02-10-11	United States	Corporate - Non Convertible	3,200,000	3,193	3,282
Municipal Finance Authority of British Columbia 3.10% 06-01-14	Canada	Municipal Governments	4,500,000	4,498	4,494
N-45 <sup>*</sup> First CMBS Issuer Corp. 4.64% 12-15-19	Canada	Mortgage Backed	1,985,105	1,975	2,019
N-45 <sup>*</sup> First CMBS Issuer Corp. 5.64% 12-15-19	Canada	Mortgage Backed	700,000	736	671
N-45 <sup>*</sup> First CMBS Issuer Corp. 6.11% 12-15-19	Canada	Mortgage Backed	1,800,000	1,869	1,684
N-45 <sup>*</sup> First CMBS Issuer Corp. 5.67% 11-15-20	Canada	Mortgage Backed	1,200,000	1,202	1,222
NAV CANADA 5.30% 04-17-19	Canada	Corporate - Non Convertible	1,475,000	1,494	1,580
NBC Asset Trust 7.235% Perpetual (F/R @ 06-30-19) Callable 2018	Canada	Corporate - Non Convertible	6,841,000	7,063	7,658
NBC Asset Trust 7.45% Perpetual (F/R @ 06-30-20) Callable 2020	Canada	Corporate - Non Convertible	7,417,000	7,866	8,304
National Bank of Canada 5.55% 11-15-18 (F/R @ 11-15-13) Callable 2013	Canada	Corporate - Non Convertible	4,600,000	4,565	4,957
Ontrea Inc. 5.70% 10-31-11	Canada	Provincial Governments	7,000,000	7,580	7,421
Province of British Columbia 5.70% 06-18-29	Canada	Provincial Governments	5,465,000	5,983	6,141
Province of Newfoundland and Labrador 5.60% 10-17-33	Canada	Provincial Governments	6,975,000	7,447	7,647
Province of Ontario 5.00% 03-08-14	Canada	Provincial Governments	650,000	705	699
Province of Ontario 4.20% 03-08-18	Canada	Provincial Governments	2,690,000	2,717	2,731
Province of Ontario 4.20% 06-02-20	Canada	Provincial Governments	6,120,000	6,085	6,063
Province of Ontario 6.50% 03-08-29	Canada	Provincial Governments	4,950,000	5,760	6,013
Province of Ontario 2.00% 12-01-36 Real Return	Canada	Provincial Governments	445,000	494	489
Province of Quebec 4.50% 12-01-21 Real Return	Canada	Provincial Governments	185,000	289	289
Province of Quebec 4.25% 12-01-31 Real Return	Canada	Provincial Governments	560,000	823	951
Province of Quebec 3.25% 12-01-36	Canada	Provincial Governments	3,900,000	4,995	5,007
Province of Quebec 5.75% 12-01-36	Canada	Provincial Governments	900,000	1,018	1,013
Real Estate Asset Liquidity Trust 4.445% 10-12-36	Canada	Mortgage Backed	1,833,393	1,854	1,854
Real Estate Asset Liquidity Trust 4.44% 09-12-38	Canada	Mortgage Backed	7,369,091	7,308	7,382
Real Estate Asset Liquidity Trust 4.62% 09-12-38	Canada	Mortgage Backed	4,000,000	4,000	3,869
Regional Municipality of York 5.00% 04-29-19	Canada	Municipal Governments	5,350,000	5,682	5,559
Reliance LP 7.30% 04-03-13 Callable	Canada	Corporate - Non Convertible	4,345,000	4,345	4,424
Rogers Communications Inc. 6.68% 11-04-39	Canada	Corporate - Non Convertible	3,500,000	3,496	3,725
Royal Bank of Canada 2.65% 11-01-14	Canada	Mortgage Backed	1,969,746	1,951	1,924
Royal Bank of Canada 5.00% 06-06-18 (F/R @ 06-06-13) Callable 2013	Canada	Corporate - Non Convertible	7,745,000	7,668	8,200
<sup>1</sup> Royal Bank of Scotland Group PLC 5.37% Perpetual (F/R @ 05-12-16) Callable 2016	United Kingdom	Corporate - Non Convertible	990,000	990	723
Royal Office Finance LP 5.21% 11-12-32	Canada	Corporate - Non Convertible	8,882,644	8,995	8,954
Schooner Trust 5.19% 06-12-22 Callable	Canada	Mortgage Backed	1,570,948	1,564	1,601
Schooner Trust 5.34% 06-12-37	Canada	Mortgage Backed	1,000,000	1,046	1,030
Score Trust 4.95% 02-20-14	Canada	Corporate - Non Convertible	5,000,000	5,098	5,109
Score Trust 5.63% 02-20-14	Canada	Corporate - Non Convertible	700,000	700	677
Shaw Communications Inc. 5.65% 10-01-19	Canada	Corporate - Non Convertible	2,950,000	2,941	3,040
Solar Trust 7.24% 11-15-10	Canada	Mortgage Backed	270,000	277	276
Solar Trust 6.70% 04-15-11	Canada	Mortgage Backed	582,280	597	596
Solar Trust 7.10% 11-15-13	Canada	Mortgage Backed	1,490,000	1,625	1,520
Solar Trust 5.83% 09-12-15	Canada	Mortgage Backed	5,820,000	6,183	6,067
Solar Trust 5.33% 05-12-16	Canada	Mortgage Backed	9,500,000	9,820	9,834
Sun Life Capital Trust II 5.86% 12-31-08 Callable 2019	Canada	Corporate - Non Convertible	3,120,000	3,120	3,246
TD Capital Trust IV 6.63% 06-30-2108 (F/R @ 06-30-21) Callable 2021	Canada	Corporate - Non Convertible	2,400,000	2,400	2,642
Terassen Pipelines (Corridor) Inc. 5.03% 02-02-15	Canada	Corporate - Non Convertible	1,150,000	1,150	1,206
Toromont Industries Ltd. 4.92% 10-13-15	Canada	Corporate - Non Convertible	3,000,000	2,999	3,009
Toronto Hydro Corp. 4.49% 11-12-19	Canada	Corporate - Non Convertible	2,020,000	2,020	2,031
The Toronto-Dominion Bank 5.14% 11-19-12	Canada	Corporate - Non Convertible	2,500,000	2,697	2,665
The Toronto-Dominion Bank 6.125% 12-01-24	Canada	Mortgage Backed	7,800,283	8,922	8,767
The Toronto-Dominion Bank 5.375% 07-01-28	Canada	Mortgage Backed	9,907,512	10,571	10,524
The Toronto-Dominion Bank 4.78% 12-14-2105 (F/R @ 12-14-16) Callable 2016	Canada	Corporate - Non Convertible	5,000,000	5,000	5,045
Westpac Banking Corp. 3.75% 12-01-14	Canada	Corporate - Non Convertible	4,190,000	4,178	4,177
<b>TOTAL INVESTMENTS</b>				<b>531,413</b>	<b>537,469</b>

### Net Assets:

Total investments	537,469
Cash and cash equivalents	37,926
Other net assets (liabilities)	5,140
	<u>580,535</u>

<sup>1</sup> Par Value expressed in Canadian dollars.

See accompanying notes to financial statements.

**1. ORGANIZATION OF THE FUND, FISCAL PERIODS AND GENERAL INFORMATION**

**(a) Organization of the Fund and fiscal periods**

The Fund is organized as an open-ended mutual fund trust. The Fund is authorized to issue an unlimited number of units of multiple series. If issued, Series F, P, S and Z units are only available for purchase by other Investors Group Funds or other qualified 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. Distributions 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 the 12-month period ended March 31, 2010, as at and for the six-month period ended March 31, 2009, and as at and for the 12-month period ended September 30, 2008. If applicable, financial results for the Fund or series established during the periods are presented from the date operations commenced to March 31 or 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 and Trustee 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 Trustee, the Manager and the Distributors. The Fund may invest in certain securities within the Power Group of Companies, subject to certain governance criteria, and these holdings, as of March 31, 2010, 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.

**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 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. See Note 10 for the fair value classification of financial instruments as of March 31, 2010.

**(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, net of the unrealized gain or loss, is included on the Statements of Net Assets. Any change in the margin requirement is settled daily.

**(iii) Forward contracts**

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

**(iv) Options contracts**

Premiums 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 investments 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.

**(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 unit information**

(i) Net assets per unit is computed by dividing the net assets attributable to the series, determined in accordance with GAAP, by the total number of units of the series outstanding.

(ii) Net increase/(decrease) in net assets from operations per unit, represents the net increase/(decrease) in net assets of the series from operations for the period divided by the weighted average units 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, receivables 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**

In March 2009, the CICA 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 significance of the inputs used for valuation. The Fund has included these disclosures in the financial statements for the year ended March 31, 2010.

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 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, for most publicly accountable entities on or by January 1, 2011. On May 14, 2010, the AcSB announced it will propose amendments which will provide most investment funds with the option to defer adoption of IFRS until fiscal years beginning on or after January 1, 2012. The Manager is currently assessing the impact of this announcement on the Fund and its plans for adopting IFRS. Accordingly, the Fund will adopt IFRS for either its fiscal period beginning April 1, 2011 or 2012 and will issue its initial financial statements in accordance with IFRS, including comparative information, for either the interim period ending September 30, 2011 or 2012.

**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.
- (b) The Manager provides or arranges for the provision of investment and advisory services for a management fee. See Note 10 for the annual rates paid (as a percent of average assets) by the Fund.
- (c) The Fund pays the Manager an 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/HST, 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. A portion of the service fee related to Series C is rebated by the Distributors to the Fund on a quarterly basis as outlined in the Fund's Prospectus. The rebate is distributed as a capital distribution to eligible unitholders and is reinvested in additional Series C units of the Fund or another distributing Fund held by the unitholder, at the net asset value per unit on the distribution dates. See Note 10 for the annual rates paid (as a percent of average assets) by the Fund.
- (e) The Trustee is responsible for overall direction and management of the affairs of the Fund. See Note 10 for the annual rates paid (as a percent of average assets) to the Trustee by the Fund.
- (f) GST/HST paid by the Fund on its expenses is not recoverable.
- (g) Other expenses are comprised of interest and borrowing charges and other miscellaneous expenses.
- (h) 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 periods have been identified in the Statements of Operations.

**4. NET ASSET VALUE PER UNIT**

Net asset value ("pricing NAV") per unit is computed by dividing the net asset value attributable to a series of the Fund, determined for the purchase and redemption of units in accordance with the Fund's prospectus and annual information form, by the total number of units of the series outstanding. This amount may be different from the net asset per unit 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 units. See Note 10 for the net asset values per unit as of March 31, 2010, March 31, 2009, and September 30, 2008, for the Fund.

**5. INCOME TAXES**

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains, which is not paid or payable to its unitholders. The year-end of the Fund for tax purposes is December 15 or 31. The Fund is subject to withholding taxes on foreign income. In general, the Fund treats withholding tax as a charge against income for tax purposes. It is the intention of the Fund to distribute sufficient net income and net realized capital gains, as required, so that the Fund will not pay income taxes other than refundable tax on capital gains, if applicable.

See Note 10 for the losses that were available to offset future income for tax purposes as at the last taxation year-end. The net capital losses can be carried forward indefinitely to reduce future realized capital gains. The non-capital losses may be utilized to reduce taxable income of future years and expire in December of the years indicated.

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

The total broker commissions incurred by the Fund in connection with portfolio transactions for the period, 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, commissions may be paid to brokerage firms which provide (or pay for) certain services, which may include investment research, analysis and reports, and data bases or software in support of these services (arrangements referred to as "soft dollars"). 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 Trustee, on behalf of the Fund, provides for the indemnification of each IRC member by the Fund from and against liabilities and costs in respect of any action or suit against the member by reason of being or having been a member of the IRC, provided that the member acted honestly and in good faith with a view to the best interest of the Fund, or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, that they had reasonable grounds for believing that his/her conduct was lawful. No claims with respect to such occurrences have been made and, as such, no amount has been recorded in these financial statements with respect to these indemnifications.

**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.

**(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 fixed-income 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 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 <sup>1</sup>	Deferred sales charge	Management fee	Service fee	Administration fee <sup>2</sup>	Trustee fee	Net asset value per unit (\$)		
							as at March 31 2010	as at March 31 2009	as at September 30 2008
Series C	n/a	up to 5.50%	1.65%	-%	0.15%	0.05%	10.65	10.41	10.30
Series P	July 13, 2009	- %	-%	-%	-%	-%	10.38	n/a	n/a
Series S	November 16, 2009	- %	1.65%	-%	0.10%	0.05%	10.00	n/a	n/a
Series Z	n/a	- %	1.65%	-%	-%	0.05%	10.71	10.45	10.33

<sup>1</sup> If within the three financial periods ended March 31, 2010.

<sup>2</sup> The Administration fee presented in the table corresponds to the period ended March 31, 2010.

Comparative figures for the period ended March 31, 2009 were: Series C: 0.14%; Series P: n/a; Series S: n/a; Series Z: 0.00%. Comparative figures for the period ended September 30, 2008 were: Series C: 0.13%; Series P: n/a; Series S: n/a; Series Z: 0.00%.

The Manager has engaged Mackenzie Financial Corp. as sub-advisor to assist in investment management and trade execution for the Fund. This sub-advisor is a subsidiary of IGM Financial Inc. and, therefore, is considered an affiliate of the Trustee, the Manager and the Distributors.

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

Total capital loss	Total non-capital loss	Expiration year for non-capital losses						
		2029	2028	2027	2026	2015	2014	2010
306	-	-	-	-	-	-	-	-

**(c) Commissions (\$ 000)**

Included in the table below is the portion of commissions paid to certain brokers during the periods which were available for the payment of third-party services.

12 months to March 31 2010	6 months to March 31 2009	12 months to September 30 2008
-	-	-

**(d) Securities lending (\$ 000)**

March 31, 2010		March 31, 2009		September 30, 2008	
Value of securities loaned	Value of collateral received	Value of securities loaned	Value of collateral received	Value of securities loaned	Value of collateral received
41,916	44,418	79,731	87,000	113,865	120,221

**(e) 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 uses internal guidelines that identify the target exposures for each type of risk, maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy, internal guidelines and securities regulations.

The investment portfolio consists primarily of a diversified selection of Canadian government and corporate debt securities, selected based on a top-down investment approach.

(ii) Currency risk

As of March 31, 2010, March 31, 2009 and September 30, 2008, the Fund did not have a significant exposure to currency risk.

(iii) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk by remaining term to maturity. The table also illustrates the potential impact to the Fund's net assets had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, all other variables held constant. The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, the actual trading results may differ and the difference could be material.

Bonds (\$ 000)	Less than 1 year	1 - 5 years	5 - 10 years	> 10 years	Total	Impact on net assets	
						(\$000)	(%)
March 31, 2010	18,839	181,444	106,976	230,210	537,469	39,173	6.7
March 31, 2009	15,807	137,739	105,643	177,068	436,257	30,276	6.8
September 30, 2008	21,978	129,992	115,597	179,501	447,068	32,253	7.1

(iv) Other price risk

As of March 31, 2010, March 31, 2009 and September 30, 2008, the Fund did not have a significant exposure to price risks other than those described elsewhere in these notes.

**10. FUND SPECIFIC INFORMATION**
**(e) Financial instrument risk (continued)**

## (v) Credit risk

The Fund's greatest concentration of credit risk is in fixed-income securities, such as bonds. The fair value of fixed-income securities includes consideration of the creditworthiness of the issuer. The maximum exposure to any one issuer as of March 31, 2010, was 14.3% (Government of Canada) of the net assets of the Fund (March 31, 2009 – 26.3%, September 30, 2008 – 24.6%).

As of March 31, 2010, March 31, 2009 and September 30, 2008, fixed-income securities by credit rating are as follows:

	March 31, 2010		March 31, 2009		September 30, 2008	
	Percent of total bonds (%)	Percent of total net assets (%)	Percent of total bonds (%)	Percent of total net assets (%)	Percent of total bonds (%)	Percent of total net assets (%)
AAA	50.0	46.4	50.3	49.6	57.9	56.5
AA	23.9	22.1	24.9	24.4	17.1	16.6
A	16.1	14.9	15.5	15.2	18.1	17.6
BBB	7.9	7.3	4.0	3.9	3.5	3.4
< BBB	0.1	0.1	0.4	0.3	1.2	1.2
Unrated	2.0	1.8	4.9	4.8	2.2	2.1
Total	100.0	92.6	100.0	98.2	100.0	97.4

*Credit ratings are based on DBRS, Standard & Poor's or Moody's ratings.*

**(f) Fair value of financial instruments**

The table below summarizes the fair value of the Fund's financial instruments using the following fair value hierarchy:

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

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

as of March 31, 2010 (\$ 000)	Level 1	Level 2	Level 3	Total
Fixed income	524	536,945	-	537,469
Equities	-	-	-	-
Total investments	524	536,945	-	537,469
Derivative assets	-	-	-	-
Derivative liabilities	-	-	-	-
Short-term investments	-	38,906	-	38,906
Total	524	575,851	-	576,375

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

# IG Mackenzie Income Fund

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

MARCH 31, 2010

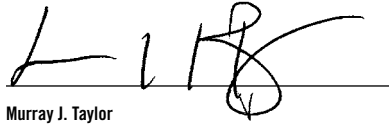
The accompanying financial statements have been prepared by I.G. Investment Management, Ltd., as Manager of the Fund. The Manager is responsible for the integrity, objectivity and reliability of the data presented. This responsibility includes selecting appropriate accounting principles and making judgments and estimates consistent with Canadian generally accepted accounting principles. The Manager is also responsible for the development of internal controls over the financial reporting process which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors (the "Board") of I.G. Investment Management, Ltd. is responsible for reviewing and approving the financial statements and overseeing the Manager's performance of its financial reporting responsibilities. The Board is assisted in discharging this responsibility by an Audit Committee, which reviews the financial statements and recommends them for approval by the Board. The Audit Committee also meets regularly with the Manager, the internal auditor and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues.

KPMG LLP are the external auditors of the Fund. They are appointed by the Board. The external auditors have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the unitholders their opinion on the financial statements. Their report is set out below.

On behalf of I.G. Investment Management, Ltd.,

Manager of the Fund



**Murray J. Taylor**  
Chairman of the Board  
and President



**BJ Reid**  
Authorized Signing Officer and  
Chief Financial Officer, Investors Group Mutual Funds

May 28, 2010

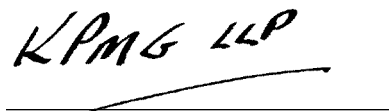
## AUDITORS' REPORT

To the Unitholders of IG Mackenzie Income Fund

We have audited the Statement of Investments as of March 31, 2010, the Statements of Net Assets as of March 31, 2010, March 31, 2009, and September 30, 2008, and the Statements of Operations and Changes in Net Assets for the periods then ended, as indicated in note 1. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the investments of the Fund as of March 31, 2010, the net assets of the Fund as of March 31, 2010, March 31, 2009, and September 30, 2008, and the results of its operations and the changes in its net assets for the periods indicated in note 1, in accordance with Canadian generally accepted accounting principles.



**Chartered Accountants**

Winnipeg, Canada  
May 28, 2010