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# IG Bissett Canadian Equity Fund

## **Annual Financial Statements**

FOR THE PERIOD ENDED MARCH 31, 2010

# IG Bissett Canadian Equity 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	158,665	111,226	138,213
Cash and cash equivalents	3,931	2,228	3,144
Accrued interest and dividends receivable	369	304	402
Taxes recoverable (payable)	-	-	-
Accounts receivable for securities sold	13	31	23
Due from brokers	61	-	136
Due from manager	-	1	-
Due from other funds	12	594	307
Net margin on futures contracts	-	-	-
Unrealized gains on forward contracts and other derivatives	-	-	-
Other assets	-	-	-
	4,386	3,158	4,012
<b>Total assets</b>	<b>163,051</b>	<b>114,384</b>	<b>142,225</b>
<b>Liabilities:</b>			
Bank overdraft	-	-	-
Due to brokers	52	-	649
Accounts payable for securities redeemed	-	1	42
Accrued expenses	-	1	1
Due to other funds	-	-	-
Liability for options written	-	-	-
Unrealized losses on forward contracts and other derivatives	-	-	-
Other liabilities	-	-	-
<b>Total liabilities</b>	<b>52</b>	<b>2</b>	<b>692</b>
<b>Net assets</b>	<b>162,999</b>	<b>114,382</b>	<b>141,533</b>
<b>Net assets per series, end of period</b>			
Series A	59,540	37,956	51,144
Series B	1,370	849	1,228
Series C	5,698	3,371	3,823
Series P	346	n/a	n/a
Series Z	96,045	72,206	85,338
<b>Net assets per unit, end of period</b>			
Series A	12.51	8.32	11.60
Series B	12.40	8.26	11.52
Series C	9.89	6.58	9.18
Series P	12.82	n/a	n/a
Series Z	12.66	8.38	11.65

## 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	3,948	1,885	3,360
Trust income	289	242	554
Interest and other income	7	18	132
Income (loss) from derivatives	-	-	-
Securities lending	21	24	63
Foreign withholding taxes	-	-	(3)
	4,265	2,169	4,106
<b>Expenses:</b>			
Management fees	2,916	1,154	3,201
Management fee rebates	-	-	-
Service fees	184	69	200
Service fee rebates	(18)	(6)	(14)
Administration fees	121	51	121
Trustee fees	73	29	80
Goods and services tax	155	62	179
Independent Review Committee costs	1	-	1
Other	1	1	-
	3,433	1,360	3,768
<b>Net income (loss)</b>	<b>832</b>	<b>809</b>	<b>338</b>
Realized gain (loss)	(401)	(4,388)	6,303
Unrealized gain (loss)	56,883	(33,780)	(39,460)
Commissions and other portfolio transaction costs	(101)	(60)	(90)
<b>Net realized and unrealized gain (loss)</b>			
<b>from investments and foreign exchange</b>	<b>56,381</b>	<b>(38,228)</b>	<b>(33,247)</b>
<b>Net increase (decrease) in net assets</b>			
<b>from operations</b>	<b>57,213</b>	<b>(37,419)</b>	<b>(32,909)</b>
<b>Net increase (decrease) in net assets</b>			
<b>from operations per series</b>			
Series A	19,673	(13,808)	(12,492)
Series B	448	(326)	(293)
Series C	1,787	(1,078)	(829)
Series P	23	n/a	n/a
Series Z	35,282	(22,207)	(19,295)
<b>Net increase (decrease) in net assets</b>			
<b>from operations per unit</b>			
Series A	4.26	(3.13)	(2.85)
Series B	4.21	(3.11)	(2.85)
Series C	3.40	(2.47)	(2.25)
Series P	2.90	n/a	n/a
Series Z	4.36	(3.12)	(2.79)

# IG Bissett Canadian Equity Fund

ANNUAL FINANCIAL STATEMENTS

MARCH 31, 2010

## STATEMENTS OF CHANGES IN NET ASSETS

for the periods (in \$ 000)

	12 months Mar. 31 2010	6 months Mar. 31 2009	12 months Sep. 30 2008
<b>Series A</b>			
<b>Net assets, beginning of period</b>	37,956	51,144	63,728
Increase (decrease) in net assets resulting from:			
<b>Operations</b>	19,673	(13,808)	(12,492)
<b>Distributions:</b>			
Income	(346)	(660)	(944)
Capital gains	-	-	(1,112)
Management fee rebates	-	-	-
<b>Total distributions</b>	(346)	(660)	(2,056)
<b>Unit transactions:</b>			
Proceeds from sale of units	9,001	4,288	8,754
Reinvested from distributions	346	660	2,056
Payment on redemption of units	(7,090)	(3,668)	(8,846)
<b>Total unit transactions</b>	2,257	1,280	1,964
<b>Increase (decrease) in net assets</b>	21,584	(13,188)	(12,584)
<b>Net assets, end of period</b>	59,540	37,956	51,144
<b>Series B</b>			
<b>Net assets, beginning of period</b>	849	1,228	1,455
Increase (decrease) in net assets resulting from:			
<b>Operations</b>	448	(326)	(293)
<b>Distributions:</b>			
Income	(8)	(15)	(20)
Capital gains	-	-	(25)
Management fee rebates	-	-	-
<b>Total distributions</b>	(8)	(15)	(45)
<b>Unit transactions:</b>			
Proceeds from sale of units	385	149	518
Reinvested from distributions	8	15	45
Payment on redemption of units	(312)	(202)	(452)
<b>Total unit transactions</b>	81	(38)	111
<b>Increase (decrease) in net assets</b>	521	(379)	(227)
<b>Net assets, end of period</b>	1,370	849	1,228
<b>Series C</b>			
<b>Net assets, beginning of period</b>	3,371	3,823	3,443
Increase (decrease) in net assets resulting from:			
<b>Operations</b>	1,787	(1,078)	(829)
<b>Distributions:</b>			
Income	(32)	(57)	(53)
Capital gains	-	-	(62)
Management fee rebates	-	-	-
Service fee rebates	(18)	(6)	(14)
<b>Total distributions</b>	(50)	(63)	(129)
<b>Unit transactions:</b>			
Proceeds from sale of units	1,424	882	1,651
Reinvested from distributions	47	61	127
Payment on redemption of units	(881)	(254)	(440)
<b>Total unit transactions</b>	590	689	1,338
<b>Increase (decrease) in net assets</b>	2,327	(452)	380
<b>Net assets, end of period</b>	5,698	3,371	3,823

	12 months Mar. 31 2010	6 months Mar. 31 2009	12 months Sep. 30 2008
<b>Series P</b>			
<b>Net assets, beginning of period</b>	-	-	-
Increase (decrease) in net assets resulting from:			
<b>Operations</b>	23	-	-
<b>Distributions:</b>			
Income	(1)	-	-
Capital gains	-	-	-
Management fee rebates	-	-	-
<b>Total distributions</b>	(1)	-	-
<b>Unit transactions:</b>			
Proceeds from sale of units	357	-	-
Reinvested from distributions	1	-	-
Payment on redemption of units	(34)	-	-
<b>Total unit transactions</b>	324	-	-
<b>Increase (decrease) in net assets</b>	346	-	-
<b>Net assets, end of period</b>	346	-	-
<b>Series Z</b>			
<b>Net assets, beginning of period</b>	72,206	85,338	99,875
Increase (decrease) in net assets resulting from:			
<b>Operations</b>	35,282	(22,207)	(19,295)
<b>Distributions:</b>			
Income	(579)	(1,267)	(1,527)
Capital gains	-	-	(1,801)
Management fee rebates	-	-	-
<b>Total distributions</b>	(579)	(1,267)	(3,328)
<b>Unit transactions:</b>			
Proceeds from sale of units	38,971	39,257	45,939
Reinvested from distributions	579	1,267	3,328
Payment on redemption of units	(50,414)	(30,182)	(41,181)
<b>Total unit transactions</b>	(10,864)	10,342	8,086
<b>Increase (decrease) in net assets</b>	23,839	(13,132)	(14,537)
<b>Net assets, end of period</b>	96,045	72,206	85,338
<b>Total</b>			
<b>Net assets, beginning of period</b>	114,382	141,533	168,501
Increase (decrease) in net assets resulting from:			
<b>Operations</b>	57,213	(37,419)	(32,909)
<b>Distributions:</b>			
Income	(966)	(1,999)	(2,544)
Capital gains	-	-	(3,000)
Management fee rebates	-	-	-
Service fee rebates	(18)	(6)	(14)
<b>Total distributions</b>	(984)	(2,005)	(5,558)
<b>Unit transactions:</b>			
Proceeds from sale of units	50,138	44,576	56,862
Reinvested from distributions	981	2,003	5,556
Payment on redemption of units	(58,731)	(34,306)	(50,919)
<b>Total unit transactions</b>	(7,612)	12,273	11,499
<b>Increase (decrease) in net assets</b>	48,617	(27,151)	(26,968)
<b>Net assets, end of period</b>	162,999	114,382	141,533

See accompanying notes to financial statements.

# IG Bissett Canadian Equity Fund

ANNUAL FINANCIAL STATEMENTS

MARCH 31, 2010

## STATEMENTS OF CHANGES IN NET ASSETS (continued)

for the periods (in thousands)

	12 months Mar. 31 2010	6 months Mar. 31 2009	12 months Sep. 30 2008
<b>Increase (decrease) in units:</b>			
<b>Series A</b>			
<b>Units outstanding, beginning of period</b>	4,563	4,411	4,269
Add (deduct):			
Units sold	797	490	655
Reinvested from distributions	29	78	152
Units redeemed	(629)	(416)	(665)
<b>Units outstanding, end of period</b>	<b>4,760</b>	<b>4,563</b>	<b>4,411</b>
<b>Series B</b>			
<b>Units outstanding, beginning of period</b>	103	107	98
Add (deduct):			
Units sold	33	16	39
Reinvested from distributions	1	2	3
Units redeemed	(27)	(22)	(33)
<b>Units outstanding, end of period</b>	<b>110</b>	<b>103</b>	<b>107</b>
<b>Series C</b>			
<b>Units outstanding, beginning of period</b>	512	416	291
Add (deduct):			
Units sold	157	125	155
Reinvested from distributions	5	9	12
Units redeemed	(98)	(38)	(42)
<b>Units outstanding, end of period</b>	<b>576</b>	<b>512</b>	<b>416</b>
<b>Series P</b>			
<b>Units outstanding, beginning of period</b>	-	-	-
Add (deduct):			
Units sold	30	-	-
Reinvested from distributions	-	-	-
Units redeemed	(3)	-	-
<b>Units outstanding, end of period</b>	<b>27</b>	<b>-</b>	<b>-</b>
<b>Series Z</b>			
<b>Units outstanding, beginning of period</b>	8,619	7,329	6,695
Add (deduct):			
Units sold	3,529	4,509	3,510
Reinvested from distributions	48	149	247
Units redeemed	(4,612)	(3,368)	(3,123)
<b>Units outstanding, end of period</b>	<b>7,584</b>	<b>8,619</b>	<b>7,329</b>

See accompanying notes to financial statements.

# IG Bissett Canadian Equity Fund

ANNUAL FINANCIAL STATEMENTS

MARCH 31, 2010

## STATEMENT OF INVESTMENTS

at March 31, 2010

	Country	Sector	No. of Units, Shares, or Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES</b>					
Alimentation Couche-Tard Inc. Class B Sub. voting	Canada	Consumer Staples	204,267	3,519	3,771
Bank of Montreal	Canada	Financials	59,270	3,208	3,654
The Bank of Nova Scotia	Canada	Financials	130,740	5,277	6,640
Bonavista Energy Trust	Canada	Energy	169,375	3,753	3,955
Brookfield Asset Management Inc. Class A limited voting	Canada	Financials	257,927	5,507	6,657
Calfrac Well Services Ltd.	Canada	Energy	68,575	1,254	1,454
Canadian Imperial Bank of Commerce	Canada	Financials	86,090	5,721	6,383
Canadian National Railway Co.	Canada	Industrials	112,200	4,835	6,897
Canadian Natural Resources Ltd.	Canada	Energy	69,265	3,144	5,207
Canadian Tire Corp. Ltd. Class A non-voting	Canada	Consumer Discretionary	51,300	2,881	2,844
Celtic Exploration Ltd.	Canada	Energy	132,939	2,111	2,599
Genovus Energy Inc.	Canada	Energy	91,200	2,221	2,418
Enbridge Inc.	Canada	Energy	33,600	1,617	1,627
EnCana Corp.	Canada	Energy	93,200	2,513	2,936
Finning International Inc.	Canada	Industrials	116,680	2,002	2,144
Flint Energy Services Ltd.	Canada	Energy	198,400	3,202	2,430
Gildan Activewear Inc.	Canada	Consumer Discretionary	151,008	2,719	4,026
Groupe Aeroplan Inc.	Canada	Consumer Discretionary	102,816	1,328	1,095
Home Capital Group Inc.	Canada	Financials	96,950	2,980	4,191
Inmet Mining Corp.	Canada	Materials	35,100	2,023	2,067
MacDonald, Dettwiler & Associates Ltd.	Canada	Information Technology	102,925	3,483	3,863
Major Drilling Group International Inc.	Canada	Materials	81,600	1,810	2,089
Manulife Financial Corp.	Canada	Financials	215,820	5,784	4,310
Methanex Corp.	Canada	Materials	59,400	548	1,461
Mullen Group Ltd.	Canada	Energy	146,500	2,482	2,350
NuVista Energy Ltd.	Canada	Energy	393,800	4,773	4,588
Peyto Energy Trust	Canada	Energy	14,400	203	195
<sup>1</sup> Power Financial Corp.	Canada	Financials	267,630	8,101	8,963
Rogers Communications Inc. Class B non-voting	Canada	Telecommunication Services	228,700	7,893	7,915
Royal Bank of Canada	Canada	Financials	105,640	3,950	6,261
Russel Metals Inc.	Canada	Industrials	64,900	1,230	1,313
Saputo Inc.	Canada	Consumer Staples	62,664	1,142	1,847
Savanna Energy Services Corp.	Canada	Energy	408,649	3,259	2,840
Sun Life Financial Inc.	Canada	Financials	189,050	7,275	6,165
Suncor Energy Inc.	Canada	Energy	150,606	4,480	4,968
TELUS Corp.	Canada	Telecommunication Services	1,100	37	42
TELUS Corp. Class A non-voting	Canada	Telecommunication Services	105,400	3,931	3,829
TMX Group Inc.	Canada	Financials	105,460	3,673	3,136
Talisman Energy Inc.	Canada	Energy	72,300	1,273	1,254
Thomson Reuters Corp.	Canada	Consumer Discretionary	186,800	7,305	6,893
The Toronto-Dominion Bank	Canada	Financials	88,600	5,639	6,704
Transcontinental Inc. Class A Sub. voting	Canada	Industrials	158,110	2,798	2,155
Trican Well Service Ltd.	Canada	Energy	192,725	3,102	2,529
				145,986	158,665
				(245)	-
<b>COMMISSIONS AND OTHER PORTFOLIO TRANSACTION COSTS</b>					
<b>TOTAL INVESTMENTS</b>				<b>145,741</b>	<b>158,665</b>
<b>Net Assets:</b>					
Total investments					158,665
Cash and cash equivalents					3,931
Other net assets (liabilities)					403
					<u>162,999</u>

<sup>1</sup> The issuer of this security is related to the Manager of the Fund.  
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 A	n/a	up to 5.50%	2.00%	0.30%	0.21%	0.05%	12.53	8.38	11.62
Series B	n/a	- %	2.00%	0.45%	0.21%	0.05%	12.42	8.32	11.54
Series C	n/a	up to 5.50%	2.00%	0.50%	0.19%	0.05%	9.90	6.63	9.20
Series P	July 13, 2009	- %	- %	- %	- %	- %	12.83	n/a	n/a
Series Z	n/a	- %	2.00%	- %	- %	0.05%	12.68	8.44	11.67

<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 A: 0.21%; Series B: 0.21%; Series C: 0.19%; Series P: n/a; Series Z: 0.00%. Comparative figures for the period ended September 30, 2008 were: Series A: 0.19%; Series B: 0.19%; Series C: 0.17%; Series P: n/a; Series Z: 0.00%.

(b) Income tax losses (\$ 000)

Total capital loss	Total non-capital loss	Expiration year for non-capital losses				
		2029	2028	2027	2026	2015
1,501	-	-	-	-	-	-

(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
2	6	5

(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
14,583	15,453	13,239	14,396	10,208	10,778

(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 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 primarily of common shares of growth-oriented Canadian companies with mid- to large-capitalization. Investment prospects are evaluated based on their history of sustainable, replicable growth.

(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

As of March 31, 2010, March 31, 2009 and September 30, 2008, 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 March 31, 2010, 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 \$15,867,000 or 9.7% of total net assets (March 31, 2009 – approximately \$11,123,000 or 9.7%, September 30, 2008 – approximately \$13,821,000 or 9.8%). In practice, the actual trading results may differ and the difference could be material.

(v) Credit risk

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

(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	-	-	-	-
Equities	158,665	-	-	158,665
Total investments	158,665	-	-	158,665
Derivative assets	-	-	-	-
Derivative liabilities	-	-	-	-
Short-term investments	-	3,900	-	3,900
Total	158,665	3,900	-	162,565

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

# IG Bissett Canadian Equity Fund

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

MARCH 31, 2010

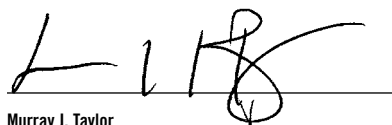
The accompanying financial statements have been prepared by I.G. Investment Management, Ltd., as Manager of the Fund. The Manager is responsible for the integrity, objectivity and reliability of the data presented. This responsibility includes selecting appropriate accounting principles and making judgments 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

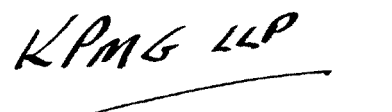
## AUDITORS' REPORT

To the Unitholders of IG Bissett Canadian Equity 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

