
Investors Canadian Small Cap Growth Class

Annual Financial Report

MARCH 31, 2017

Investors Canadian Small Cap Growth Class

ANNUAL FINANCIAL STATEMENTS

MARCH 31, 2017

STATEMENTS OF FINANCIAL POSITION

at March 31 (in \$ 000 except per security amounts)

	2017	2016
Assets		
Current assets:		
Non-derivative investments	5,318	5,065
Cash and cash equivalents	-	-
Accrued interest receivable	-	-
Dividends receivable	-	-
Accounts receivable for investments sold	-	-
Accounts receivable for securities issued	-	10
Accounts receivable from the Manager	-	-
Margin on derivative contracts	-	-
Derivative assets	-	-
Other assets	-	-
	5,318	5,075
Non-current assets:		
Taxes recoverable	73	58
Other assets	-	-
	73	58
Total assets	5,391	5,133
Liabilities		
Current liabilities:		
Bank indebtedness	-	-
Accounts payable for investments purchased	-	-
Accounts payable for securities redeemed	-	1
Dividends payable	-	-
Accrued expenses and miscellaneous payables	-	-
Dividends payable on investments sold short	-	-
Derivative liabilities	-	-
Taxes payable	-	-
Other liabilities	-	-
Total liabilities	-	1
Net assets attributable to securityholders	5,391	5,132

STATEMENTS OF COMPREHENSIVE INCOME

for the periods ended March 31 (in \$ 000 except per security amounts)

	2017	2016
Income:		
Gains (losses) on derivative and non-derivative investments:		
Dividends	-	-
Interest income	-	-
Net realized gain (loss)	291	207
Net unrealized gain (loss)	783	(423)
Income (loss) from derivatives	-	-
Income (loss) from short selling	-	-
Other	-	-
Net gain (loss) on derivative and non-derivative investments	1,074	(216)
Securities lending income	-	-
Other	-	-
Total income	1,074	(216)
Expenses:		
Management fees	100	99
Service fees	14	14
Administration fees	13	13
Commissions and other portfolio transaction costs	-	-
Independent Review Committee costs	-	-
Other	1	-
Expenses before amounts absorbed by Manager	128	126
Expenses absorbed by Manager	-	-
Net expenses	128	126
Increase (decrease) in net assets attributable to securityholders		
from operations before tax	946	(342)
Foreign withholding taxes paid (recovered)	-	-
Foreign income taxes paid (recovered)	-	-
Income tax paid (recovered)	-	-
Increase (decrease) in net assets attributable to securityholders		
from operations	946	(342)

Net assets attributable to securityholders

	per security		per series	
	2017	2016	2017	2016
Series A	18.19	15.44	1,635	1,737
Series B	17.86	15.16	140	167
Series Josc	13.33	11.32	1,516	1,842
Series Jml	13.30	11.29	516	439
Series U	12.57	10.68	1,584	947
			5,391	5,132

Increase (decrease) in net assets attributable to securityholders from operations

	per security		per series	
	2017	2016	2017	2016
Series A	2.85	(1.19)	309	(114)
Series B	2.79	(1.18)	29	(13)
Series Josc	2.13	(0.83)	303	(125)
Series Jml	2.12	(0.83)	85	(26)
Series U	2.13	(0.66)	220	(64)
			946	(342)

See accompanying notes.

Investors Canadian Small Cap Growth Class

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STATEMENTS OF CHANGES IN FINANCIAL POSITION

for the periods ended March 31 (in \$ '000 except when stated)

	TOTAL		SERIES A		SERIES B		SERIES J _{dsc}	
	2017	2016	2017	2016	2017	2016	2017	2016
Net assets attributable to securityholders, beginning of period	5,132	6,134	1,737	2,591	167	264	1,842	2,305
Increase (decrease) in net assets attributable to securityholders resulting from:								
Operations	946	(342)	309	(114)	29	(13)	303	(125)
Dividends:								
Ordinary	(62)	-	(13)	-	(1)	-	(18)	-
Capital gains	-	-	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-	-	-
Total dividends	(62)	-	(13)	-	(1)	-	(18)	-
Security transactions:								
Proceeds from sale of securities	1,622	2,202	197	470	57	50	491	829
Proceeds from securities issued on merger	-	-	-	-	-	-	-	-
Reinvested from dividends	62	-	13	-	1	-	18	-
Payment on redemption of securities	(2,309)	(2,862)	(608)	(1,210)	(113)	(134)	(1,120)	(1,167)
Total security transactions	(625)	(660)	(398)	(740)	(55)	(84)	(611)	(338)
Increase (decrease) in assets attributable to securityholders	259	(1,002)	(102)	(854)	(27)	(97)	(326)	(463)
Net assets attributable to securityholders, end of period	5,391	5,132	1,635	1,737	140	167	1,516	1,842
Increase (decrease) in securities (in thousands):								
Securities outstanding, beginning of period			112	156	11	16	163	190
Add (deduct):								
Securities sold			12	30	3	3	38	71
Securities issued on merger			-	-	-	-	-	-
Reinvested from dividends			1	-	-	-	2	-
Securities redeemed			(35)	(74)	(6)	(8)	(89)	(98)
Securities outstanding, end of period			90	112	8	11	114	163

	SERIES J _{NL}		SERIES U	
	2017	2016	2017	2016
Net assets attributable to securityholders, beginning of period	439	346	947	628
Increase (decrease) in net assets attributable to securityholders resulting from:				
Operations	85	(26)	220	(64)
Dividends:				
Ordinary	(5)	-	(25)	-
Capital gains	-	-	-	-
Return of capital	-	-	-	-
Total dividends	(5)	-	(25)	-
Security transactions:				
Proceeds from sale of securities	170	169	707	684
Proceeds from securities issued on merger	-	-	-	-
Reinvested from dividends	5	-	25	-
Payment on redemption of securities	(178)	(50)	(290)	(301)
Total security transactions	(3)	119	442	383
Increase (decrease) in assets attributable to securityholders	77	93	637	319
Net assets attributable to securityholders, end of period	516	439	1,584	947
Increase (decrease) in securities (in thousands):				
Securities outstanding, beginning of period	39	29	89	55
Add (deduct):				
Securities sold	14	14	59	62
Securities issued on merger	-	-	-	-
Reinvested from dividends	-	-	2	-
Securities redeemed	(14)	(4)	(24)	(28)
Securities outstanding, end of period	39	39	126	89

See accompanying notes.

Investors Canadian Small Cap Growth Class

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STATEMENTS OF CASH FLOWS

for the periods ended March 31 (in \$ 000 except when stated)

	2017	2016
Cash flows from operating activities		
Increase (decrease) in net assets attributable to securityholders from operations	946	(342)
Less non-cash impact of:		
Net realized (gain) loss	(291)	(207)
Change in net unrealized (gain) loss	(783)	423
Distributions received from Underlying Funds	-	-
Adjustments for:		
Proceeds from sale and maturity of investments	1,622	1,793
Purchases of investments	(801)	(999)
(Increase) decrease in accounts receivable and other assets	(15)	2
Increase (decrease) in accounts payable and other liabilities	-	-
Net cash provided by (used in) operating activities	678	670
Cash flows from financing activities:		
Proceeds from securities issued	938	1,289
Proceeds from securities issued on merger	-	-
Payments on redemption of securities	(1,616)	(1,959)
Dividends paid net of reinvestments	-	-
Net cash provided by (used in) financing activities	(678)	(670)
Increase (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of period	-	-
Effect of exchange rate fluctuations on cash and cash equivalents	-	-
Cash and cash equivalents, end of period	-	-
Cash	-	-
Cash equivalents	-	-
Bank indebtedness	-	-
	-	-
Supplementary disclosures on cash flow from operating activities:		
Dividends received net of withholding taxes	-	-
Interest received net of withholding taxes	-	-
Interest paid	-	-

See accompanying notes.

Investors Canadian Small Cap Growth Class

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SCHEDULE OF INVESTMENTS

as at March 31, 2017

	No. of Units, Shares, or Par Value	Cost (CAD\$ 000)	Fair Value (CAD\$ 000)
MUTUAL FUNDS			
Investors Canadian Small Cap Growth Fund Series P	373,642	4,107	5,318
Net Assets (see asset composition):			
Total non-derivative investments			5,318
Cash and cash equivalents			-
Other net assets (liabilities)			73
			<u>5,391</u>

Schedule of Asset Composition

Substantially all of the net assets of the Fund were invested in Investors Canadian Small Cap Growth Fund Series P (the Underlying Fund). As a result, the major asset classes in which the Underlying Fund was invested at the end of the periods are indicated below.

as at March 31, 2017

	% of net assets
PORTFOLIO ALLOCATION	
Equities	96.3
Cash and cash equivalents	2.7
Other net assets (liabilities)	1.0
Total	100.0
COUNTRY ALLOCATION	
Canada	65.3
United States	30.1
Australia	0.9
	96.3
SECTOR ALLOCATION	
Energy	16.8
Consumer Discretionary	16.1
Materials	15.9
Financials	11.0
Industrials	10.9
Real Estate	10.4
Information Technology	9.4
Health Care	3.0
Consumer Staples	2.8
	96.3

as at March 31, 2016

	% of net assets
PORTFOLIO ALLOCATION	
Equities	97.2
Cash and cash equivalents	2.4
Other net assets (liabilities)	0.4
Total	100.0
COUNTRY ALLOCATION	
Canada	61.8
United States	35.1
Australia	0.3
	97.2
SECTOR ALLOCATION	
Materials	23.6
Financials	19.1
Consumer Discretionary	14.8
Information Technology	12.4
Industrials	10.2
Energy	8.8
Health Care	4.4
Consumer Staples	3.9
	97.2

1. ORGANIZATION OF THE CORPORATION, THE FUND, FISCAL PERIODS AND GENERAL INFORMATION**(a) Organization of the Corporation and the Fund**

Investors Group Corporate Class Inc. (the Corporation) is a mutual fund corporation incorporated under the laws of Canada on July 17, 2002. The address of the Corporation's registered office is 447 Portage Avenue, Winnipeg, Manitoba, Canada. The Fund is a class of shares of the Corporation. The Corporation is authorized to issue an unlimited number of common shares and mutual fund shares. If issued, Series P shares are only available for purchase by other Investors Group Funds or other qualified investors. All series generally share in the operations of the Fund on a pro rata basis except for items that can be specifically attributed to one or more series. Dividends for each series may vary, partly due to the differences in expenses between the series.

(b) Financial periods

The Statements of Financial Position are presented as at March 31, 2017 and 2016. The Statements of Comprehensive Income, Statements of Changes in Financial Position and Statements of Cash Flows are for the 12-month periods ended March 31, 2017 and 2016. The Schedule of Investments is presented as at March 31, 2017. Where a Fund or series of a Fund was established during either period, the information for the Fund or series is provided from inception date.

(c) General information

I.G. Investment Management, Ltd. is the Manager of the Fund. I.G. Investment Management, Ltd. and/or I.G. International Management Limited acts as Portfolio Advisor(s) to the Fund. In some cases, I.G. Investment Management (Hong Kong) Limited has been engaged as sub-advisor to provide investment services to 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. Companies related to Power Financial Corporation are therefore considered affiliates of 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 at the end of the period, have been identified on the Schedule of Investments for the Fund. Any transactions during the periods were executed through market intermediaries and under prevailing market terms and conditions.

2. BASIS OF PREPARATION AND PRESENTATION

These annual financial statements (financial statements) have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). A summary of the Fund's significant accounting policies under IFRS is presented in Note 3.

These financial statements are presented in Canadian dollars, which is the Fund's functional currency, and rounded to the nearest thousand unless otherwise indicated. These financial statements are prepared on a going concern basis using the historical cost basis, except for financial assets and liabilities that have been measured at fair value.

These financial statements were authorized for issue by the Manager on June 7, 2017.

Standards issued but not yet effective for the current accounting year are described in Note 3.

3. SIGNIFICANT ACCOUNTING POLICIES**(a) Financial instruments**

Investments include financial assets and liabilities such as debt and equity securities, open-ended investment funds and derivatives. The Fund classifies and measures financial instruments in accordance with IFRS 9 Financial Instruments (IFRS 9). Upon initial recognition, financial instruments are classified as fair value through profit or loss (FVTPL). All financial assets and liabilities are recognized in the Statement of Financial Position when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date.

Financial instruments are subsequently measured as FVTPL with changes in fair value recognized in the Statement of Comprehensive Income.

The cost of investments (cost) is based on the weighted average cost of investments and excludes commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income. Realized gains and losses on disposition, including foreign exchange gains or losses on such investments, are determined based on the cost of investments. Gains and losses arising from changes in the fair value of the investments are included in the Statement of Comprehensive Income for the period in which they arise. Gains and losses realized on certain derivatives, including interest rate and currency swaps, and futures are reported as Income (loss) from derivatives within the Statement of Comprehensive Income.

The Fund accounts for its holdings in unlisted open-ended investment funds at FVTPL. The Fund has concluded that unlisted open-ended investment funds in which it invests do not meet the definition of structured entities. The Fund's investment in unlisted open-ended funds, if any, is presented in the Schedule of Investments at fair value which represents the Fund's maximum exposure on these investments.

(b) Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fund's valuation policies are as follows:

(i) Equity securities, fixed-income securities and other investment funds

Fair value for securities listed on a public securities exchange or traded on an over-the-counter market is determined as the last traded market price or close price recorded by the security exchange on which the security is principally traded, where the close price falls within the bid-ask spread of the security.

In situations where the last traded market price is not within the bid-ask spread, the Manager selects the point within the bid-ask spread that is most representative of fair value.

Fair value of fixed-income securities includes consideration of the creditworthiness of the issuer.

Investments in securities of another investment fund are valued at the net asset value per security calculated in accordance with the offering documents of such investment fund or as reported by that fund's manager.

Unlisted or non-exchange traded securities, or securities for which a last traded market price is 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 and swaps contracts

Futures and swaps contracts are valued at the gain or loss that would be realized upon closure of the contract. The values for such contracts fluctuate and are best determined at the settlement price established each day by the board of trade or exchange on which the contracts are traded.

Margin accounts represent margin deposits held with brokers in respect of open futures and swaps contracts. Any change in the variation margin requirement is settled daily. Margin paid or deposited in respect of futures contracts or swaps is reflected as a receivable at fair value in the Statement of Financial Position.

(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 Statement of Financial Position as a liability and subsequently adjusted daily to fair value.

(c) Cash and cash equivalents

Cash and cash equivalents includes cash on deposit with banks and short term investments that are readily convertible to cash, are subject to an insignificant risk of changes in value, and are used by the Fund in the management of short-term commitments. Cash and cash equivalents are reported at fair value which closely approximates their amortized cost due to their nature of being highly liquid and having short terms to maturity. Bank overdraft positions are presented as bank indebtedness in current liabilities in the Statement of Financial Position.

(d) Currency

All amounts are expressed in Canadian dollars. 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.

(e) Income recognition

Interest income from interest bearing investments is recognized using the effective interest method. Dividends are accrued as of the ex-dividend date. Dividend income and distributions from open-ended investment funds are recognized when the Fund's right to receive payment is established which is typically on the ex-dividend or distribution date. Distributions received from income trusts and open-ended investment funds are included in interest income, dividend income or capital gains, as appropriate, based on the best information available to the Manager. Due to the nature of these investments, actual allocations could vary from this information.

(f) 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 Statement of Comprehensive Income. Securities lending transactions are administered by The Bank of New York Mellon (the Securities Lending Agent). All the counterparties have a sufficient, approved credit rating based on DBRS, Standard & Poor's or Moody's ratings, 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 12. Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments, and financial institutions.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**(g) Redeemable securities**

The Fund's redeemable securities entitle securityholders the right to redeem their interest in the Fund for cash equal to their proportionate share of the net asset value of the Fund, amongst other contractual rights. These redeemable securities involve multiple contractual obligations on the part of the Fund and therefore meet the criteria for classification as financial liabilities. The Fund's obligation for net assets attributable to securityholders is measured at FVTPL, with fair value being the redemption amount as of the reporting date.

(h) Commissions and other portfolio transaction costs

Commissions and other portfolio transaction costs are costs incurred to acquire, dispose of or otherwise transact financial assets or liabilities. They include fees and commissions paid to agents, exchanges, brokers and dealers, and other intermediaries.

(i) Increase (decrease) in net assets attributable to securityholders from operations

Increase (decrease) in net assets attributable to securityholders from operations per security for a series in the Statement of Comprehensive Income represents the weighted average increase (decrease) in net assets attributable to securityholders from operations for the series, per security outstanding during the period.

(j) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Fund enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statement of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts.

Note 12 presents the amounts, if any, that are subject to master netting arrangements or other similar agreements and the net impact to the Statements of Financial Position if all such rights were exercised.

(k) Mergers

The Fund applies the acquisition method of accounting for Fund mergers. Under this method, one of the Funds in each merger is identified as the acquiring Fund, and is referred to as the Continuing Fund, and the other Fund involved in the merger is referred to as the Terminated Fund. This identification is based on the comparison of the relative net asset values of the Funds as well as consideration of the continuation of such aspects of the Continuing Fund as: investment advisors; investment objectives and practices; type of portfolio securities; and management fees and expenses.

(l) Comparative figures

Certain prior period comparative amounts have been reclassified to conform to current presentation including, as applicable, eliminations within the Statements of Cash Flows for non-cash transfers between series of the Fund, and reclassification of foreign withholding taxes from securities lending activity within the Statements of Comprehensive Income.

(m) Future accounting changes

The Fund has determined there are no material implications to the Fund's financial statements arising from IFRS issued but not yet effective.

4. USE OF ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in accordance with IFRS requires judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities at the reporting date and the reported amounts of income and expenses during the period. However, existing circumstances and assumptions may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur. The following discusses the most significant accounting judgments and estimates made in preparing the financial statements:

(a) Functional currency

The Fund's functional and presentation currency is the Canadian dollar, which is the currency considered to most faithfully represent the economic effects of the Fund's underlying transactions, events and conditions taking into consideration the manner in which securities are issued and redeemed and how returns and performance by the Fund are measured.

(b) Classification of financial instruments

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments in determining the most appropriate classification in accordance with IFRS 9. The Manager has assessed the Fund's business model, the manner in which all financial assets and financial liabilities are managed and performance evaluated as a group on a fair value basis, and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Fund's financial assets and financial liabilities.

(c) Estimations of Fair Value

The Fund may, from time to time, hold investments that are not quoted in active markets, such as unlisted securities or private securities. To estimate fair value, the Manager uses valuation techniques that make use of observable data, to the extent practicable. The Fund categorizes the fair value of its assets and liabilities into three categories, which are differentiated based on the observable nature of the inputs and extent of estimation required.

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. Examples of Level 2 valuations include quoted prices for similar securities, quoted prices on inactive markets and from recognized investment dealers, and the application of factors derived from observable data to non-North American quoted prices in order to estimate the impact of differences in market closing times. The estimated fair values for these securities may be different from the values that would have been used had a ready market for the investment existed.

Level 3 – Inputs that are not based on observable market data. Various valuation techniques are utilized, depending on each situation. These methods and procedures may include, but are not limited to, performing comparisons with prices of comparable or similar securities, obtaining relevant information from issuers and/or other analytical data relating to the investment, and recent arm's length transactions. Key inputs and assumptions used are usually security specific and may include estimated discount rates, credit risk, volatility, correlations, and future cash flows. Changes in key inputs and assumptions could affect the reported fair value of these financial instruments held by the Fund. The estimated fair values for these securities may be significantly different from the values that would have been used had a ready market for the investment existed.

See Note 12 for the fair value classifications of the Fund.

(d) Structured entities

In determining whether unlisted open-ended investment funds in which the Fund invests, but that it does not consolidate, meet the definition of a structured entity, the Manager is required to make significant judgments about whether the Underlying Funds have the typical characteristics of a structured entity. The Manager has assessed the characteristics of the Underlying Funds and has concluded that they do not meet the definition of a structured entity because the Fund does not have contracts or financing arrangements with the Underlying Funds and does not have an ability to influence the activities of the Underlying Funds or the return it receives from its investment.

5. MANAGEMENT FEES AND OTHER EXPENSES

(a) Each series of the Fund will incur expenses that can be specifically attributed to that series. Common expenses of the Fund are allocated across the series of the Fund on a pro rata basis. Common expenses of the Corporation are allocated across the Funds on a pro rata basis.

(b) The Manager provides or arranges for the provision of investment and advisory services for a management fee. See Note 12 for the annual rates paid (as a percent of average assets) by the Fund.

(c) The Fund pays the Manager an administration fee and in return the Manager will bear the operating expenses of the Fund, other than certain specified costs. See Note 12 for the annual rates paid (as a percent of average assets) by the Fund.

Other Fund costs include taxes (including but not limited to GST/HST and income tax), transaction costs related to the purchase and sale of investments and derivatives, interest and borrowing costs, and Independent Review Committee (IRC) costs.

(d) The Fund may pay the Distributors a service fee to compensate them for providing or arranging for the provision of services to the Fund. See Note 12 for the annual rates paid (as a percent of average assets) by the Fund.

(e) An advisory fee is charged by the Distributors for investment advice and administrative services related to Series U and Tu, if issued. The advisory fee is payable monthly directly by investors in Series U and Tu, and not by the Fund.

(f) GST/HST paid by the Fund on its expenses is not recoverable. In these financial statements, reference to GST/HST includes QST (Québec sales tax), as applicable.

(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 Comprehensive Income.

6. INCOME TAXES

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

The general income tax rules associated with a public corporation also apply to a mutual fund corporation with the exception that income taxes payable on capital gains are refundable on a formula basis when issued shares of the Corporation are redeemed or capital gain dividends are paid. The Corporation is subject to a refundable tax at a rate of 38.33% of dividends from certain taxable Canadian corporations (a rate of one-third of dividends received from such corporations prior to January 1, 2016). This tax is refundable at the rate of \$1 for every \$2.61 of ordinary dividends paid (\$1 for every \$3 of ordinary dividends paid in the Corporation's December 31, 2015 taxation year). To the extent there is net income for tax purposes from other sources (such as interest and foreign income), it is taxed at the full general corporate rate before the general rate reductions. In the event that there is an overall net loss for tax purposes for the Corporation, this loss can be carried back three years or forward to a subsequent year and used to reduce taxes payable for those years.

As of the end of the last taxation year, the Corporation had no losses available to offset future years' capital gains or income.

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

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

7. COMMISSIONS AND OTHER PORTFOLIO TRANSACTION COSTS

The total brokerage commissions incurred by the Fund in connection with portfolio transactions for the periods, together with other transaction charges, is disclosed in the Statements of Comprehensive Income. 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, other than order execution, which may include investment research, analysis and reports, and databases or software in support of these services. Where applicable and ascertainable, the value of third-party services that were paid for by brokers during the periods is disclosed in Note 12. The value of certain proprietary services provided by brokers cannot be reasonably estimated.

8. GUARANTEES AND INDEMNITIES

Agreements between the individual members of the Fund's IRC and the Manager, on behalf of the Fund, provides for the indemnification of each IRC member by the Fund from and against liabilities and costs in respect of any action or suit against the member by reason of being or having been a member of the IRC, provided that the member acted honestly and in good faith with a view to the best interest of the Fund, or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, that they had reasonable grounds for believing that his/her conduct was lawful. No claims with respect to such occurrences have been made and, as such, no amount has been recorded in these financial statements with respect to these indemnifications.

9. CAPITAL MANAGEMENT

The capital structure of the Fund consists of redeemable securities in multiple series. The net capital received by the Fund is managed in accordance with the investment objective and strategies of the Fund and to maintain adequate liquidity to meet securityholder redemption requests. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue or redemption of securities beyond those included in the Fund's prospectus. Securities issued, reinvested and redeemed during the periods are reflected in the Statements of Changes in Financial Position.

10. FINANCIAL INSTRUMENT RISK

The Fund's investment activities expose it to a variety of financial risks. See the Schedule of Investments for additional information about the securities held by the Fund as at the end of the period. Where significant, Note 12 presents the Fund's exposure, directly and, if applicable, indirectly through investments in other funds and/or derivative contracts, to financial instrument risks, as indicated below.

(a) Liquidity risk

The Fund is exposed to daily cash redemptions of redeemable securities. The issued securities of the Fund are redeemable on demand at the option of the securityholder at the current net asset value per security. 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 short-term investments 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 functional currency, will fluctuate due to changes in exchange rates. Generally, foreign denominated investments increase in value when the value of the Canadian dollar (relative to foreign currencies) falls. Conversely, when the value of the Canadian dollar rises relative to foreign currencies, the values of foreign denominated investments fall.

Note 12 indicates the foreign currencies, if applicable, to which the Fund had significant exposure, including the amount of forward currency contracts in Canadian dollar terms. Other financial assets and liabilities (including dividends and interest receivable, and receivables/payables for investments 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. Generally, these securities increase in value when interest rates fall and decrease in value when interest rates rise. 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 12 summarizes the Fund's exposure, if significant, to interest rate risk.

(d) 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 12 summarizes the Fund's exposure, if significant, to credit risk.

All transactions in listed securities are settled/paid for upon delivery using approved third-party brokers. The risk of default is considered minimal, as delivery of investments sold by the Fund is only made once the broker has received payment. Payment is made by the Fund on a purchase only once the investments 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 based on DBRS, Standard & Poor's or Moody's ratings, and the value of cash or securities held as collateral must be at least 102% of the fair value of the investments loaned.

(e) 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 other factors affecting all instruments traded in a market or market segment. All investments 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 strategies. Except for certain derivative contracts, the maximum risk resulting from financial instruments is equivalent to their fair value. The maximum risk of loss on certain derivative contracts such as forwards, swaps and futures contracts is equal to their notional values. In the case of written call (put) options and futures contracts sold short, the maximum loss to the Fund increases, theoretically without limit, as the fair value of the underlying security increases (decreases). However, these instruments are generally used within the overall investment management process to manage the risk from the underlying investments and do not typically increase the overall risk of loss to the Fund. Note 12 summarizes the Fund's exposure, if significant, to other price risk.

11. OTHER INFORMATION**(a) Abbreviations**

Foreign currencies, if any, are presented in these financial statements using the following abbreviated currency codes:

Currency Code	Description	Currency Code	Description
AUD	Australian dollars	MXN	Mexican peso
BRL	Brazilian real	MYR	Malaysian ringgit
CAD	Canadian dollars	NGN	Nigerian naira
CHF	Swiss franc	NOK	Norwegian krona
CKZ	Czech koruna	NTD	New Taiwan dollar
CLP	Chilean peso	NZD	New Zealand dollars
CNY	Chinese yuan	PEN	Peruvian nuevo sol
COP	Colombian peso	PHP	Philippine peso
DKK	Danish krone	PLN	Polish zloty
EUR	Euro	RON	Romanian leu
GBP	United Kingdom pounds	RUB	Russian ruble
HKD	Hong Kong dollars	SEK	Swedish krona
HUF	Hungarian forint	SGD	Singapore dollars
IDR	Indonesian rupiah	THB	Thailand baht
ILS	Israeli sheqel	TRL	Turkish lira
INR	Indian rupee	USD	United States dollars
JPY	Japanese yen	ZAR	South African rand
KOR	South Korean won		

(b) Additional 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, R3B 3H5 or, in Québec, 2001, Robert-Bourassa Boulevard, Bureau 2000, Montréal, Québec, H3A 2A6, or by calling toll-free 1-888-746-6344 (in Québec 1-800-661-4578).

12. FUND SPECIFIC INFORMATION

(a) Fund and series information

Effective January 1, 2017, the annual service fee rate for Series B and JNL and the management fee rate for Series U decreased by 0.10%.

After December 31, 2016, the deferred sales charge (DSC) purchase option of the Fund was closed to all new investments, but continues to be available for pre-authorized contribution plans established before January 1, 2017 until on or about June 30, 2017. DSC fees do not apply to purchases under pre-authorized contribution arrangements from January 1, 2017.

The DSC purchase option is still available for reinvested distributions and investments through switches from series of the Fund and other Investors Group Funds held under the DSC option.

For this Fund, the DSC purchase option changes apply to Series A and Josc.

Series	Date operations commenced ¹	Deferred sales charge (%)	Management fee ² (%)	Service fee ³ (%)	Administration fee (%)
Series A	n/a	up to 5.50	2.00	0.30	0.22
Series B	n/a	-	2.00	0.30	0.22
Series Josc	July 13, 2012	up to 5.50	1.75	0.30	0.22
Series JNL	July 13, 2012	-	1.75	0.30	0.22
Series U	July 12, 2013	-	0.90	-	0.22

¹ If within 10 years.

² Until December 31, 2016, the annual management fee rate for Series U was 1.00%.

³ Until December 31, 2016, the annual service fee rate for Series B and JNL was 0.40%.

(b) Commissions

for the period ended	(\$ 000)
March 31, 2017	-
March 31, 2016	-

(c) Securities lending

as at	Value of securities loaned (\$ 000)	Value of collateral received (\$ 000)
March 31, 2017	-	-
March 31, 2016	-	-

for the period ended	March 31, 2017		March 31, 2016	
	(\$ 000)	(%)	(\$ 000)	(%)
Gross securities lending income	-	-	-	-
Tax withheld	-	-	-	-
Payments to securities lending agents	-	-	-	-
Securities lending income	-	-	-	-

(d) Financial instrument risk

i) Risk management

As at and for the periods ended March 31, 2017 and 2016, substantially all the net assets of the Fund were invested in Investors Canadian Small Cap Growth Fund Series P (the Underlying Fund). As a result, the indirect exposure to the Underlying Fund's financial instrument risk, in addition to direct holdings, if any, is shown below.

The Manager seeks to minimize potential adverse effects of financial instrument risks on the Fund's and/or Underlying Fund's performance by employing professional, experienced portfolio advisors, daily monitoring of the Fund's and/or Underlying 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 and/or Underlying Fund's investment activities and monitors compliance with the Fund's and/or Underlying Fund's stated investment strategy, internal guidelines and securities regulations.

ii) Currency risk

As at March 31, 2017, had the Canadian dollar strengthened or weakened by 5% relative to all foreign currencies, all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$83,000 or 1.5% of total net assets (March 31, 2016 – approximately \$78,000 or 1.5%). In practice, the actual trading results may differ and the difference could be material.

iii) Interest rate risk

As at March 31, 2017 and 2016, the Fund did not have a significant exposure to interest rate risk.

iv) Credit risk

As at March 31, 2017 and 2016, the Fund did not have a significant exposure to credit risk.

v) Other price risk

As at March 31, 2017, had the prices on the respective stock exchanges for the equity securities held by the Underlying Fund increased or decreased by 10%, all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$512,000 or 9.5% of total net assets (March 31, 2016 – approximately \$499,000 or 9.7%). In practice, the actual trading results may differ and the difference could be material.

Investors Canadian Small Cap Growth Class

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

MARCH 31, 2017

12. FUND SPECIFIC INFORMATION (continued)

(e) Fair value of investments

The tables below summarize the fair value of the Fund's investments using the fair value categories described in Note 4.

as at March 31, 2017 (\$ 000)	Level 1	Level 2	Level 3	Total
Bonds	-	-	-	-
Mutual Funds	5,318	-	-	5,318
Equities	-	-	-	-
Short-term investments	-	-	-	-
Derivative assets	-	-	-	-
Derivative liabilities	-	-	-	-
Total	5,318	-	-	5,318

as at March 31, 2016 (\$ 000)	Level 1	Level 2	Level 3	Total
Bonds	-	-	-	-
Mutual Funds	5,065	-	-	5,065
Equities	-	-	-	-
Short-term investments	-	-	-	-
Derivative assets	-	-	-	-
Derivative liabilities	-	-	-	-
Total	5,065	-	-	5,065

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

TO THE SECURITYHOLDERS OF INVESTORS CANADIAN SMALL CAP GROWTH CLASS (THE "FUND")

We have audited the accompanying financial statements of the Fund, which comprise the statements of financial position as at March 31, 2017 and March 31, 2016, and the statements of comprehensive income, changes in financial position and cash flows for the periods then ended, as indicated in note 1, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2017 and March 31, 2016, and its financial performance and cash flows for the periods then ended, as indicated in note 1, in accordance with International Financial Reporting Standards.

/s/ Deloitte LLP
Chartered Professional Accountants
June 7, 2017
Winnipeg, Canada