
Investors Group Income Pool

Interim Financial Report

FOR THE SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2018

The accompanying interim financial statements have not been reviewed by the external auditors of the Fund. The external auditors will be auditing the annual financial statements of the Fund as at March 31, 2019, in accordance with Canadian generally accepted auditing standards.

Investors Group Income Pool

INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

STATEMENTS OF FINANCIAL POSITION

at September 30, 2018 (unaudited) with comparative figures at March 31, 2018
(in \$ '000 except per security amounts)

	Sep. 30 2018	Mar. 31 2018
Assets		
Current assets:		
Non-derivative investments	659,816	998,235
Cash and cash equivalents	2,113	281
Accrued interest receivable	1,020	1,708
Dividends receivable	-	-
Accounts receivable for investments sold	-	-
Accounts receivable for securities issued	-	-
Accounts receivable from the Manager	-	-
Margin on derivative contracts	-	-
Derivative assets	-	-
Other assets	-	-
	662,949	1,000,224
Non-current assets:		
Taxes recoverable	-	-
Other assets	-	-
	-	-
Total assets	662,949	1,000,224
Liabilities		
Current liabilities:		
Bank indebtedness	-	-
Accounts payable for investments purchased	-	-
Accounts payable for securities redeemed	-	-
Distributions payable	-	-
Accrued expenses and miscellaneous payables	7	5
Dividends payable on investments sold short	-	-
Derivative liabilities	-	-
Taxes payable	-	-
Other liabilities	-	-
Total liabilities	7	5
Net assets attributable to securityholders	662,942	1,000,219

	Net assets attributable to securityholders			
	per security		per series	
	Sep. 30 2018	Mar. 31 2018	Sep. 30 2018	Mar. 31 2018
Series P	10.02	10.13	662,942	1,000,219

STATEMENTS OF COMPREHENSIVE INCOME

for the six-month periods ended September 30 (unaudited)
(in \$ '000 except per security amounts)

	2018	2017
Income:		
Gains (losses) on derivative and non-derivative investments:		
Dividends	-	-
Interest income	8,307	2,950
Net realized gain (loss)	(2,490)	(249)
Net unrealized gain (loss)	(16,887)	(4,761)
Income (loss) from derivatives	-	-
Income (loss) from short selling	-	-
Other	24	-
Net gain (loss) on derivative and non-derivative investments	(11,046)	(2,060)
Securities lending income	-	-
Other	-	-
Total income	(11,046)	(2,060)
Expenses:		
Management fees	-	-
Management fee rebates	-	-
Service fees	-	-
Service fee rebates	-	-
Administration fees	-	-
Trustee fees	-	-
Commissions and other portfolio transaction costs	288	144
Audit fees	2	2
Independent Review Committee costs	1	-
Other	1	3
Expenses before amounts absorbed by Manager	292	149
Expenses absorbed by Manager	-	-
Net expenses	292	149
Increase (decrease) in net assets attributable to securityholders		
from operations before tax	(11,338)	(2,209)
Foreign withholding taxes paid (recovered)	269	43
Foreign income taxes paid (recovered)	-	-
Income tax paid (recovered)	-	-
Increase (decrease) in net assets attributable to securityholders		
from operations	(11,607)	(2,252)

	Increase (decrease) in net assets attributable to securityholders from operations			
	per security		per series	
	2018	2017	2018	2017
Series P	(0.12)	(0.11)	(11,607)	(2,252)

See accompanying notes.

Investors Group Income Pool

INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

STATEMENTS OF CHANGES IN FINANCIAL POSITION

for the six-month periods ended September 30 (unaudited) (in \$ 000 except when stated)

	SERIES P	
	2018	2017
Net assets attributable to securityholders, beginning of period	1,000,219	177,868
Increase (decrease) in net assets attributable to securityholders resulting from:		
Operations	(11,607)	(2,252)
Distributions:		
Income	-	-
Capital gains	-	-
Return of capital	-	-
Management fee rebates	-	-
Service fee rebates	-	-
Total distributions	-	-
Security transactions:		
Proceeds from sale of securities	249,454	243,399
Proceeds from securities issued on merger	-	-
Reinvested from distributions	-	-
Payment on redemption of securities	(575,124)	(23,383)
Total security transactions	(325,670)	220,016
Increase (decrease) in assets attributable to securityholders	(337,277)	217,764
Net assets attributable to securityholders, end of period	662,942	395,632
Increase (decrease) in securities outstanding (in thousands):		
Securities outstanding, beginning of period	98,692	17,638
Add (deduct):		
Securities sold	24,871	24,314
Securities issued on merger	-	-
Reinvested from distributions	-	-
Securities redeemed	(57,398)	(2,314)
Securities outstanding, end of period	66,165	39,638

See accompanying notes.

Investors Group Income Pool

INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

STATEMENTS OF CASH FLOWS

for the six-month periods ended September 30 (unaudited) (in \$ 000 except when stated)

	2018	2017
Cash flows from operating activities		
Increase (decrease) in net assets attributable to securityholders from operations	(11,607)	(2,252)
Less non-cash impact of:		
Net realized (gain) loss	2,490	249
Change in net unrealized (gain) loss	16,887	4,761
Adjustments for:		
Proceeds from sale and maturity of investments	488,381	2,431
Purchases of investments	(169,339)	(221,110)
(Increase) decrease in accounts receivable and other assets	688	(401)
Increase (decrease) in accounts payable and other liabilities	2	2
Net cash provided by (used in) operating activities	327,502	(216,320)
Cash flows from financing activities:		
Proceeds from securities issued	249,454	243,399
Proceeds from securities issued on merger	-	-
Payments on redemption of securities	(575,124)	(23,383)
Distributions paid net of reinvestments	-	-
Net cash provided by (used in) financing activities	(325,670)	220,016
Increase (decrease) in cash and cash equivalents	1,832	3,696
Cash and cash equivalents at beginning of period	281	1,367
Effect of exchange rate fluctuations on cash and cash equivalents	-	-
Cash and cash equivalents, end of period	2,113	5,063
Cash	508	5,063
Cash equivalents	1,605	-
Bank indebtedness	-	-
	2,113	5,063
Supplementary disclosures on cash flow from operating activities:		
Dividends received net of withholding taxes	-	-
Interest received net of withholding taxes	8,726	2,506
Interest paid	-	-

See accompanying notes.

Investors Group Income Pool

INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

SCHEDULE OF INVESTMENTS

as at September 30, 2018 (unaudited)

	Country	Sector	No. of Units, Shares, or Par Value	Cost (CAD\$ 000)	Fair Value (CAD\$ 000)
EQUITIES					
BMO Aggregate Bond Index ETF	Canada	Exchange Traded Funds	13,119,006	202,130	198,621
iShares Canadian Corporate Bond Index ETF	Canada	Exchange Traded Funds	411,000	8,756	8,491
iShares Canadian Short Term Bond Index ETF	Canada	Exchange Traded Funds	1,129,000	30,730	30,551
iShares Canadian Universe Bond Index ETF	Multinational	Exchange Traded Funds	1,731,870	53,290	52,251
iShares Core U.S. Aggregate Bond ETF	United States	Exchange Traded Funds	122,413	16,898	16,693
iShares S&P International Bond Index Fund	Multinational	Exchange Traded Funds	478,404	29,782	29,775
iShares TIPS Bond ETF	United States	Exchange Traded Funds	393,900	56,058	56,310
¹ Mackenzie Canadian Aggregate Bond Index ETF	Canada	Exchange Traded Funds	619,800	61,732	61,097
SPDR Bloomberg Barclays International Treasury Bond ETF	Multinational	Exchange Traded Funds	662,000	24,443	23,424
Vanguard Canadian Aggregate Bond Index ETF	Canada	Exchange Traded Funds	7,432,000	184,812	182,603
				668,631	659,816
COMMISSIONS AND OTHER PORTFOLIO TRANSACTION COSTS				(286)	-
TOTAL NON-DERIVATIVE INVESTMENTS				<u>668,345</u>	<u>659,816</u>
Net Assets (see asset composition):					
Total non-derivative investments					659,816
Cash and cash equivalents					2,113
Other net assets (liabilities)					1,013
					<u>662,942</u>

Schedule of Asset Composition

as at September 30, 2018 (unaudited)

as at March 31, 2018

	% of net assets		% of net assets
PORTFOLIO ALLOCATION		PORTFOLIO ALLOCATION	
Canadian Bond ETFs	80.5	Canadian Bond ETFs	78.1
United States Bond ETFs	11.0	United States Bond ETFs	13.0
International Bond ETFs	8.0	International Bond ETFs	8.7
Cash and cash equivalents	0.3	Cash and cash equivalents	-
Other net assets (liabilities)	0.2	Other net assets (liabilities)	0.2
Total	100.0	Total	100.0

¹ This fund is managed by the sub-advisor to the Fund.

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

The Fund is organized as an open-ended mutual fund trust established under the laws of Manitoba and governed by a Declaration of Trust. The address of the Fund's registered office is 447 Portage Avenue, Winnipeg, Manitoba, Canada. The Fund is authorized to issue an unlimited number of securities of multiple series. Series P securities are only available for purchase by other Investors Group Funds or other qualified investors.

(b) Financial periods

The Statements of Financial Position are presented as at September 30, 2018 and March 31, 2018. The Statements of Comprehensive Income, Statements of Changes in Financial Position and Statements of Cash Flows are for the six-month periods ended September 30, 2018 and 2017. The Schedule of Investments is presented as at September 30, 2018. 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. Where a series of a Fund was terminated during either period, the information for the series is provided up to close of business on the termination date.

(c) General information

I.G. Investment Management, Ltd. is the Manager, Portfolio Advisor 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. Companies related to Power Financial Corporation are therefore 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 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 unaudited interim financial statements (financial statements) have been prepared in accordance with International Financial Reporting Standards (IFRS), including International Accounting Standard 34 Interim Financial Reporting (IAS 34), as issued by the International Accounting Standards Board (IASB). These financial statements were prepared using the same accounting policies, critical judgments and estimates as applied in the Fund's most recent audited annual financial statements for the year ended March 31, 2018. 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 November 8, 2018.

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 at 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.

(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) 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.

(iii) 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 ratings provided by external credit rating agencies, 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.

(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. The fair value of net assets presented in the financial statements is consistent with the net asset values calculated in accordance with securities regulations for the purchase and redemption of the Fund's redeemable securities.

(h) Commissions and other portfolio transaction costs

Commissions and other portfolio transaction costs are costs incurred to acquire, dispose 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**(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) 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 other 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 other funds have the typical characteristics of a structured entity. The Manager has assessed the characteristics of the other 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 other funds and does not have an ability to influence the activities of the other funds or the return it receives from its investment.

5. FEES AND OTHER EXPENSES

- The Fund is responsible for the payment of all expenses related to its operation.
- The Manager provides or arranges for the provision of investment and advisory services, and administrative services. The Trustee is responsible for the overall direction and management of the Fund.
- 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.
- Other expenses are comprised of bank charges and other miscellaneous expenses.
- The Manager may, at its discretion, pay certain expenses of a Fund so that 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 reported in the Statements of Comprehensive Income.

6. INCOME TAXES

As a unit trust, the Fund, under the provisions of the Income Tax Act (Canada), is subject to tax on its income including net realized capital gains, which is not paid or payable to its securityholders. The Fund maintains a December year-end for tax purposes. The Fund may be subject to withholding taxes on foreign income. In general, the Fund treats withholding tax as a charge against income for tax purposes. The Fund will distribute sufficient amounts from net income for tax purposes, as required, so that the Fund will not pay income taxes.

See Note 12 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.

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 Independent Review Committee (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.

9. CAPITAL MANAGEMENT

The capital structure of the Fund consists of redeemable securities. 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) 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, and diversifying the investment portfolio within the constraints of the investment objective. To assist in managing risk, the Manager also uses internal guidelines that identify the target exposures for each type of risk, maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy, internal guidelines and securities regulations.

(b) 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. 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.

10. FINANCIAL INSTRUMENT RISK (continued)**(c) 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 and illustrates the potential impact, in Canadian dollar terms, to the Fund's net assets had the Canadian dollar strengthened or weakened by 5% relative to all foreign currencies, all other variables held constant. In practice, the actual trading results may differ and the difference could be material.

The Fund's sensitivity to currency risk illustrated in Note 12 includes potential impacts from derivatives including forward currency contracts; 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.

(d) Interest rate risk

Interest rate risk arises on interest-bearing financial instruments such as bonds and indirectly through investments in other funds. 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 indicates the Fund's sensitivity, if significant, to a 1% movement in interest rates. The Fund's sensitivity to interest rate changes was estimated using weighted average duration and a valuation model that estimates the impact to the fair value of mortgages based on changes in prevailing interest rates in a manner consistent with the valuation policy for mortgages. In practice, the actual trading results may differ and the difference could be material.

(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. The Fund has no significant direct exposure to credit risk. Indirect exposure to credit risk may arise from fixed-income securities, such as bonds, held by underlying exchange traded funds.

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 and the value of cash or securities held as collateral must be at least 102% of the fair value of the investments loaned.

(f) 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. Other price risk typically arises from exposure to equity and commodity securities. If significant, Note 12 illustrates the potential increase or decrease in the Fund's net assets, had the prices on the respective exchanges for these securities increased or decreased by 10%, all other variables held constant. In practice, the actual trading results may differ and the difference could be material.

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	ZMW	Zambian kwacha

(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).

Investors Group Income Pool

NOTES TO THE INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

12. FUND SPECIFIC INFORMATION

(a) Fund and series information

Series	Date operations commenced	Management fee (%)	Service fee (%)	Administration fee (%)	Trustee fee (%)
Series P	July 13, 2015	-	-	-	-

The fee rates in the table above are rounded to two decimals.
Date operations commenced are shown if within 10½ years.

The Fund aims to earn income and provide potential capital growth primarily by investing in, or gaining exposure to, fixed income securities.

To achieve its investment objective, the Fund will primarily invest in, or gain exposure to, a portfolio of fixed income securities with no geographic restrictions. The Fund may also invest directly in other investment funds, including exchange traded funds.

Based on its assessment of economic and market conditions, including the interest rate and credit environments, the portfolio management team may actively shift the allocation of the Fund's assets across fixed income markets with respect to geography, credit, duration and/or currency. The Fund may also hold a significant portion of its assets in cash or cash-equivalent instruments at any time.

The Fund may invest up to 100% of its assets in foreign securities. The portfolio management team may limit foreign currency risk by hedging foreign currency exposure back to Canadian dollars.

Derivatives may be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objectives and enhancing the Fund's returns as permitted by the Rules.

Effective November 1, 2017, the Manager engaged Mackenzie Financial Corporation as a sub-advisor to assist in investment management and trade execution for the Fund. This sub-advisor is a subsidiary of IGM Financial Inc. and, therefore, is considered an affiliate of the Trustee, the Manager and the Distributors.

During the period, the Fund received \$23,263 in income distributions from investments in ETFs managed by the sub-advisor to offset fees paid within the ETFs. There is no assurance that these distributions will continue in the future.

(b) Income tax losses (\$ 000)

Total capital loss	Total non-capital loss	Expiration year for non-capital losses					
		2026	2027	2028	2029	2030	after 2030
229	-	-	-	-	-	-	-

(c) Commissions

for the six-month period ended	(\$ 000)
September 30, 2018	14
September 30, 2017	6

(d) Securities lending

as at	Value of securities loaned (\$ 000)	Value of collateral received (\$ 000)
September 30, 2018	-	-
March 31, 2018	-	-

for the six-month period ended	September 30, 2018		September 30, 2017	
	(\$ 000)	(%)	(\$ 000)	(%)
Gross securities lending income	-	-	-	-
Tax withheld	-	-	-	-
Payments to securities lending agents	-	-	-	-
Securities lending income	-	-	-	-

(e) Financial instrument risk

i) Currency risk

The table below summarizes the Fund's exposure to currency risk.

Impact on net assets	Strengthened by 5%		Weakened by 5%	
	(\$ 000)	(%)	(\$ 000)	(%)
September 30, 2018	(5,112)	(0.8)	5,112	0.8
March 31, 2018	(10,782)	(1.1)	10,782	1.1

Investors Group Income Pool

NOTES TO THE INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

12. FUND SPECIFIC INFORMATION

(e) Financial instrument risk (continued)

ii) Interest rate risk

The table below summarizes the Fund's exposure to interest rate risk.

Impact on net assets	Increase by 1%		Decrease by 1%	
	(\$ 000)	(%)	(\$ 000)	(%)
September 30, 2018	(45,652)	(6.9)	45,652	6.9
March 31, 2018	(74,281)	(7.4)	74,281	7.4

iii) Other price risk

As at September 30, 2018 and March 31, 2018, the Fund did not have a significant exposure to other price risk.

(f) 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 September 30, 2018 (\$ 000)	Level 1	Level 2	Level 3	Total
Bonds	-	-	-	-
Mutual Funds	-	-	-	-
Equities	659,816	-	-	659,816
Short-term investments	-	1,605	-	1,605
Derivative assets	-	-	-	-
Derivative liabilities	-	-	-	-
Total	659,816	1,605	-	661,421

as at March 31, 2018 (\$ 000)	Level 1	Level 2	Level 3	Total
Bonds	-	-	-	-
Mutual Funds	-	-	-	-
Equities	998,235	-	-	998,235
Short-term investments	-	-	-	-
Derivative assets	-	-	-	-
Derivative liabilities	-	-	-	-
Total	998,235	-	-	998,235

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