



**IG Funds Independent Review Committee
2008 Report to Securityholders**

Dear Securityholder,

The Independent Review Committee (the “**IRC**”) for the Investors Group mutual funds (collectively, the “**Funds**”, or individually, a “**Fund**”) became fully operational on November 1, 2007 pursuant to the provisions of National Instrument 81-107, Independent Review Committee for Investment Funds (“**NI 81-107**”).

The Funds are managed by I.G. Investment Management, Ltd. (“**IGIM**”, or the “**Manager**”). IGIM is also the portfolio advisor for certain of the Funds, as disclosed in the prospectuses of the Funds. Under NI 81-107, the IRC reviews potential conflicts of interest referred to us by IGIM and makes recommendations on whether a proposed course of action achieves a fair and reasonable result for the Funds, or any individual Fund. Only upon making such a determination do we recommend to IGIM that any particular transaction proceed. This includes regular reviews of potential transactions and the policies and procedures of IGIM related to conflicts of interest.

We are pleased to publish this first annual report to securityholders of the Funds that describes the IRC and our activities for the financial year ended September 30, 2008. Securityholders in the Funds may request a copy of this report free of charge by emailing Investors Group at contact-e@investorsgroup.com (for service in English) or contact-f@investorsgroup.com (for service in French) or by calling 1-888-746-6344 (in Canada) or 1-800-661-4578 (Quebec only) or by visiting www.investorsgroup.com.

Cordially,
Robert Tessier

Chair of the IG Funds Independent Review Committee
October 22, 2008

Members of the Independent Review Committee

- ▶ Robert Tessier (Chair)
- ▶ The Hon. Otto Lang, O.C., P.C., Q.C.
- ▶ Jean Lamarre
- ▶ Theresa McLeod

The members of the IRC have a broad range of experience, including backgrounds in the mutual fund industry as well as financial reporting, legal, governance and accounting experience. All of the members of the IRC have been appointed by the Manager, as required by NI 81-107 directions. Mr. Robert Tessier, Mr. Otto Lang and Mr. Jean Lamarre were appointed on April 24, 2007 and Ms. Theresa McLeod was appointed on October 24, 2007. Mr. Robert Tessier serves as Chair of the IRC. There have been no changes in the composition of the IRC since it became fully operational on November 1, 2007.

At the date of this report, none of the members of the IRC serve as a member of an independent review committee for any mutual funds other than the Investors Group Funds, and none of the members of the IRC are engaged in any relationships that could compromise their independence in sitting on the IRC.

Ownership of securities by IRC members:

In the Funds

At the date of this report, the members of the IRC did not beneficially own, directly or indirectly, in aggregate, above ten (10%) percent of the units or shares in any series or class of any Fund.

In the Manager

At the date of this report, none of the members of the IRC beneficially owned, directly or indirectly, any securities in the Manager.

In any service providers

At the date of this report, none of the members of the IRC beneficially owned, directly or indirectly, any securities of a person or company providing services to the Funds or to the Manager.

Compensation and indemnities

The aggregate compensation paid to the members of the IRC for the year ended September 30, 2008 was \$218,000. This amount includes an annual retainer payable to each member and a fee for each meeting attended by the members. This amount was allocated on a fair basis among the Funds. No indemnities were paid to the members of the IRC for the financial year ended September 30, 2008.

The initial compensation of the IRC was established by the Manager. Thereafter, the members of the IRC on an annual basis will have authority to establish their own compensation. This will only be done after taking into consideration any recommendations from the Manager and giving consideration to the following criteria:

1. The best interests of the Funds and their securityholders;
2. Industry best practices;
3. The number, nature and complexity of the Funds; and
4. The nature and extent of the workload of each member of the IRC, including the commitment of time and energy that is expected from each member.

At the date of this report, the members of the IRC have agreed that their compensation for the financial year commencing on October 1, 2008 will remain unchanged.

Conflicts of interest

Since inception, the IRC has endeavored to carry out its mandate to review conflict of interest matters referred to it by the Manager and provide impartial advice and make recommendations on whether a proposed course of action achieves a fair and reasonable result for the Funds, or any individual Fund, as applicable. This includes the following:

- ▶ Considering individual conflict of interest matters referred to the IRC by the Manager for approval;
- ▶ Providing standing instructions to the Manager to take certain actions on a continuing basis for certain types of regularly occurring conflicts of interest (please see the heading “Standing Instructions” below for more information); and
- ▶ Any other matters referred to the IRC which are consistent with NI 81-107.

Specific Recommendations

Acting in accordance with NI 81-107, the IRC has provided certain specific recommendations to the Manager for the period ended September 30, 2008, during which the potential conflict of interest matters set out below were specifically referred to the IRC by the Manager. In all cases, after reviewing these matters, the IRC determined that each proposed transaction would achieve a fair and reasonable result for the applicable Funds. Accordingly, the IRC made a recommendation with respect to each of the matters below that each of the following transactions proceed:

Fund Mergers: Mergers that took place during the period included the following:

- ▶ IG FI U.S. Equity Fund was merged into IG AGF U.S. Growth Fund;
- ▶ IG FI U.S. Equity Class was merged into IG AGF U.S. Growth Class;
- ▶ IG FI Global Equity Fund was merged into Investors Global Fund;
- ▶ IG FI Global Equity Class was merged into Investors Global Class; and
- ▶ IG Templeton World Allocation Fund was merged into Investors Tactical Asset Allocation Fund.

Portfolio Fund Changes: Adjustments that took place during the period included the following:

- ▶ The Allegro™ Conservative Portfolio and the Allegro Moderate Conservative Portfolio were adjusted in connection with the merger involving the IG FI U.S. Equity Fund (as described above); and
- ▶ The Allegro Moderate Conservative Portfolio was rebalanced to invest 8% of its assets in IG FI Canadian Equity Fund with an offsetting decrease in this Portfolio's investment in the IG Mackenzie Maxxum Canadian Equity Growth Fund.

Purchase of a real estate portfolio by Investors Real Property Fund. This Fund proposed to purchase a portfolio of real estate properties in Calgary and Toronto, and there was a single tenant within one of the six buildings being purchased that was related to the Manager. The transaction was approved and carried out by the Fund, as the landlord and tenant relationship existed prior to this Fund entering into discussions with the vendor, and because the transaction was believed to be in the best interests of this Fund and also achieved a fair and reasonable result for this Fund.

At the date of this report, the IRC is not aware of any instance in which the Manager acted contrary to the recommendations of the IRC. No other transactions were specifically referred to the IRC by the Manager during the period.

Standing Instructions

The IRC has issued standing instructions to the Manager that requires the Manager to comply with its related policies and procedures in respect of potential conflicts of interest matters, and to report to the IRC as to its compliance with those policies and procedures. For the period ended September 30, 2008, standing instructions were issued to the Manager for potential conflict of interest matters addressed by the following policies:

- ▶ Trading Between Mutual Fund Accounts Policy
- ▶ Related Party Investments Policy
- ▶ Conflicts of Interest Policy
- ▶ Trade Allocation Policy
- ▶ Best Execution Policy
- ▶ Proxy Voting Guidelines Policy
- ▶ Client Commissions Usage Policy
- ▶ Gift & Business Entertainment Policy
- ▶ Employee Code of Conduct Policy
- ▶ Outside Activities Disclosure Policy
- ▶ Personal Trading Conduct Policy
- ▶ Gain/Loss Accounting Policy
- ▶ Privacy Policy
- ▶ Short-Term Trade Monitoring Policy
- ▶ Supply of Mortgages to Investors Mortgage & Short Term Income Fund Policy
- ▶ Sub-Advisor Oversight Policy
- ▶ Dissemination of Portfolio Information Policy
- ▶ Purchases, Settlements and Redemptions Policy
- ▶ Complaints Policy
- ▶ Allocation of Expenses Policy
- ▶ Valuation Policy

The IRC is not aware of any instance in which the Manager acted contrary to any conditions imposed by the IRC in its standing instructions.

Conclusion

This report covers the initial operating period of the IRC ended September 30, 2008.

Copies of this report may be requested free of charge by emailing Investors Group at contact-e@investorsgroup.com (for service in English) or contact-f@investorsgroup.com (for service in French) or by calling 1-888-746-6344 (in Canada) or 1-800-661-4578 (Quebec only) or by visiting www.investorsgroup.com.

Cordially,

The IG Funds Independent Review Committee

Robert Tessier (Chair)

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October 22, 2008

Appendix A – Investors Group mutual funds

This report covers the following Investors Group mutual funds:

Investors Group Unit Trust Funds

Allegro Aggressive Canada Focus Portfolio	Investors Canadian Natural Resource Fund
Allegro Aggressive Portfolio	Investors Canadian Small Cap Fund
Allegro Conservative Portfolio	Investors Canadian Small Cap Growth Fund
Allegro Moderate Aggressive Canada Focus Portfolio	Investors Dividend Fund
Allegro Moderate Aggressive Portfolio	Investors European Dividend Growth Fund
Allegro Moderate Conservative Portfolio	Investors European Equity Fund
Allegro Moderate Portfolio	Investors European Mid-Cap Equity Fund
Alto Aggressive Canada Focus Portfolio	Investors Global Bond Fund
Alto Aggressive Portfolio	Investors Global Dividend Fund
Alto Conservative Portfolio	Investors Global Financial Services Fund
Alto Moderate Aggressive Canada Focus Portfolio	Investors Global Fund
Alto Moderate Aggressive Portfolio	Investors Global Real Estate Fund
Alto Moderate Conservative Portfolio	Investors Global Science & Technology Fund
Alto Moderate Portfolio	Investors Government Bond Fund
Alto Monthly Income and Enhanced Growth Portfolio	Investors Greater China Fund
Alto Monthly Income and Global Growth Portfolio	Investors Growth Plus Portfolio
Alto Monthly Income and Growth Portfolio	Investors Growth Portfolio
Alto Monthly Income Portfolio	Investors Income Plus Portfolio
IG AGF Canadian Balanced Fund	Investors Income Portfolio
IG AGF Canadian Diversified Growth Fund	Investors Income Trust Fund
IG AGF Canadian Growth Fund	Investors Japanese Equity Fund
IG AGF Global Equity Fund	Investors Mergers & Acquisitions Fund
IG AGF U.S. Growth Fund	Investors Mortgage and Short Term Income Fund
IG Beutel Goodman Canadian Balanced Fund	Investors Mutual of Canada
IG Beutel Goodman Canadian Equity Fund	Investors North American Equity Fund
IG Beutel Goodman Canadian Small Cap Fund	Investors Pacific International Fund
IG Bissett Canadian Equity Fund	Investors Pan Asian Growth Fund
IG FI Canadian Allocation Fund	Investors Premium Money Market Fund
IG FI Canadian Equity Fund	Investors Quebec Enterprise Fund
IG Goldman Sachs U.S. Equity Fund	Investors Real Return Bond Fund
IG Mackenzie Cundill Global Value Fund	Investors Retirement Growth Portfolio
IG Mackenzie Income Fund	Investors Retirement High Growth Portfolio
IG Mackenzie Ivy European Fund	Investors Retirement Plus Portfolio
IG Mackenzie Maxxum Canadian Equity Growth Fund	Investors Summa Global SRI™ Fund
IG Mackenzie Maxxum Dividend Growth Fund	Investors Summa Global Environmental Leaders™ Fund
IG Putnam U.S. High Yield Income Fund	Investors Summa SRI™ Fund
IG Templeton International Equity Fund	Investors Tactical Asset Allocation Fund
Investors Canadian Balanced Fund	Investors U.S. Dividend Growth Fund
Investors Canadian Bond Fund	Investors U.S. Large Cap Growth Fund
Investors Canadian Dividend Growth Fund	Investors U.S. Large Cap Value Fund
Investors Canadian Equity Fund	Investors U.S. Money Market Fund
Investors Canadian Growth Fund	Investors U.S. Opportunities Fund
Investors Canadian High Yield Income Fund	Investors World Growth Portfolio
Investors Canadian Large Cap Value Fund	Investors Real Property Fund
Investors Canadian Money Market Fund	

Income Funds

Investors Group Income Fund
Investors Group Short Term Income Fund

iProfile™ Pools

iProfile Canadian Equity Pool
iProfile Emerging Markets Pool
iProfile Fixed Income Pool
iProfile International Equity Pool
iProfile Money Market Pool
iProfile U.S. Equity Pool

Investors Group Corporate Class Funds

IG AGF Canadian Diversified Growth Class
IG AGF Canadian Growth Class
IG AGF Global Equity Class
IG AGF U.S. Growth Class
IG Beutel Goodman Canadian Equity Class
IG Bissett Canadian Equity Class
IG FI Canadian Equity Class
IG Goldman Sachs U.S. Equity Class
IG Mackenzie Cundill Global Value Class
IG Mackenzie Global Precious Metals Class
IG Mackenzie Ivy European Class
IG Mackenzie Ivy Foreign Equity Class
IG Mackenzie Maxxum Canadian Equity Growth Class
IG Mackenzie Universal Emerging Markets Class
IG Mackenzie Universal Global Growth Class
IG Mackenzie Universal U.S. Growth Leaders Class
IG Templeton International Equity Class

Investors Canadian Equity Class
Investors Canadian Growth Class
Investors Canadian Large Cap Value Class
Investors Canadian Small Cap Class
Investors Canadian Small Cap Growth Class
Investors Capital Yield Class
Investors European Equity Class
Investors European Mid-Cap Equity Class
Investors Global Class
Investors Global Consumer Companies Class
Investors Global Financial Services Class
Investors Global Health Care Class
Investors Global Infrastructure Class
Investors Global Natural Resources Class
Investors Global Science & Technology Class
Investors Greater China Class
Investors International Small Cap Class
Investors Japanese Equity Class
Investors Managed Yield Class
Investors Mergers & Acquisitions Class
Investors North American Equity Class
Investors Pacific International Class
Investors Pan Asian Growth Class
Investors Quebec Enterprise Class
Investors Short Term Capital Yield Class
Investors Summa Global SRI™ Class
Investors Summa Global Environmental Leaders™ Class
Investors Summa SRITM Class
Investors U.S. Large Cap Growth Class
Investors U.S. Large Cap Value Class
Investors U.S. Opportunities Class
Investors U.S. Small Cap Class