



IG Funds Independent Review Committee 2010 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 annual report to securityholders of the Funds that describes the IRC and our activities for the financial year ended March 31, 2010. 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 or www.sedar.com.

Cordially,
Robert Tessier

Chair of the IG Funds Independent Review Committee

April 28, 2010

Members of the Independent Review Committee

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

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 except for Mr. E. Courtney Pratt who was appointed by the IRC itself, as contemplated by NI 81-107.

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. Mr. E. Courtney Pratt was appointed on July 22, 2009. Aside from the appointment of Mr. E. Courtney Pratt, 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, more than 0.01% of any voting or equity 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 period from April 1, 2009 to March 31, 2010 was \$282,960. 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 period from April 1, 2009 to March 31, 2010.

The initial compensation of the IRC was established by the Manager. Thereafter, the members of the IRC on an annual basis 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 the basis of their compensation for the financial year commencing on April 1, 2010 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 a duty to provide specific recommendations to the Manager for any potential conflict of interest matters specifically referred to the IRC by the Manager. In such cases, after reviewing the course of action proposed by the Manager, the duty of the IRC is to consider whether a proposed transaction would achieve a fair and reasonable result for the applicable Fund(s). For the period from April 1, 2009 to March 31, 2010, two potential conflict of interest matters were specifically referred to the IRC by the Manager for which the IRC made a recommendation that the transaction proceed:

- ▶ Investment Advisory, Real Estate Management and Administrative Services Agreement for Investors Real Property Fund. The Manager desired to update the management arrangements with this Fund by entering into this Agreement. The Agreement was approved by the Board of Directors of the Manager and it was also recommended that the Agreement be referred to the IRC for its review and recommendation since the Agreement would be entered into by the Manager both in its capacity as trustee (on behalf of) the Fund and in its capacity as Manager, Portfolio Advisor, Real Estate Manager, Transfer Agent and Registrar of the Fund. The IRC recommended that the entering into of the Agreement achieves a fair and reasonable result for this Fund.
- ▶ Trades in non-public securities between Funds. The Manager indicated that it proposed to execute trades between Investors Global Science & Technology Fund, as seller, and Investors Global Science & Technology Class, Investors Canadian Growth Fund, Investors Canadian Growth Class, Investors Summa SRI Fund and Investors Summa SRI Class, as purchasers, of preferred shares in a Canadian based technology company that was not a reporting issuer. As such, the Manager referred the matter to the IRC because the proposed trade fell outside the Trading Between Mutual Fund Accounts Policy. The IRC recommended to the Manager that the proposed transaction achieves a fair and reasonable result for the Funds involved, subject to securities regulators issuing any relief required.

At the date of this report, the IRC is not aware of any instance in which the Manager acted contrary to the specific recommendation 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 require 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. At least annually, the Manager conducts a review and assessment of each of those policies and procedures and reports to the IRC. For the period ended March 31, 2010, standing instructions were issued to the Manager for potential conflict of interest matters addressed by the following policies:

- ▶ Trading Between Mutual Fund Accounts Policy
- ▶ Investment in Securities of a Related Issuer 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
- ▶ Client Complaint Policy
- ▶ Allocation of Expenses Policy
- ▶ Valuation Policy
- ▶ Fund of Funds Investment Policy
- ▶ Policy on the Acquisition by Investors Group Mutual Funds of Mortgage Backed Securities Issued by I.G. Investment Management, Ltd.

Conclusion

This report is for the operating period of the IRC from April 1, 2009 to March 31, 2010.

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Cordially,

The IG Funds Independent Review Committee

Robert Tessier (Chair)
The Hon. Otto Lang, P.C., O.C. Q.C.
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April 28, 2010

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

Investors Group Income Funds

Investors Group Income Fund
Investors Group Short Term Income Fund

iProfile™ Managed Asset Program

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

Allegro Balanced Growth Portfolio Class
Allegro Balanced Growth Canada Focus Portfolio Class
Allegro Balanced Portfolio Class
Allegro Growth Portfolio Class
Allegro Growth Canada Focus Portfolio Class
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 Ivy European Class
IG Mackenzie Ivy Foreign Equity Class
IG Mackenzie Global Precious Metals 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 Equity 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 SRI™ Class
Investors Summa Global SRI™ Class
Investors Summa Global Environmental Leaders™ 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