



Investors Group Funds Independent Review Committee 2014 Report to Securityholders

Dear Securityholder,

The Independent Review Committee (the “IRC”) for the Investors Group mutual funds¹ (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, 2014. 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 Investors Group Funds Independent Review Committee

April 23, 2014

¹ Please see Appendix 'A' for a listing of the Investors Group mutual funds, which include the Investors Group Unit Trust Funds, the mutual fund Pools offered through the iProfile™ Managed Asset Program, and the Investors Group Income Funds, all for which I.G. Investment Management, Ltd. is the trustee, as well as the mutual fund classes offered by Investors Group Corporate Class Inc.

Members of the Independent Review Committee

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

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 were initially appointed by the Manager, as required by NI 81-107, except for Russell Goodman who was appointed by the IRC itself, as contemplated by NI 81-107. Mr. Robert Tessier, Mr. Otto Lang, Mr. Jean Lamarre and Ms. Theresa McLeod were appointed in 2007 and Mr. Russell Goodman was appointed in 2011. Mr. Robert Tessier serves as Chair of the IRC. Mr. Robert Tessier, Mr. Otto Lang, Mr. Jean Lamarre, Ms. Theresa McLeod and Mr. Russell Goodman have been re-appointed to additional terms. The Manager has provided its consent to the re-appointments.

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, more than 0.01% of any voting or equity 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, 2013 to March 31, 2014 was \$324,294. This amount includes an annual retainer payable to each member, a fee for each meeting attended by the members, and reasonable expenses incurred by members of the IRC in the performance of their duties (such as travel and accommodation). 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, 2013 to March 31, 2014.

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 is 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.

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, 2013 to March 31, 2014, potential conflict of interest matters that were specifically referred to the IRC by the Manager for which the IRC made a recommendation that the transaction proceed include:

- ▶ **Fee Structure Changes.** The Manager proposed having management fees, trustee fees and associated taxes (the “Affected Fees”) paid directly by certain retail series of the Portfolio Funds listed below, instead of being paid by certain non-retail series of underlying funds held within these Portfolio Funds. The Manager advised the IRC that, following the changes, the Affected Fees paid directly by the retail series of these Portfolio Funds would not be any higher than the corresponding fees being indirectly paid through the non-retail series of the underlying funds held by these Portfolio Funds. The IRC determined that there being no increase in the management expense ratios of any Portfolio Fund as a result of the changes to the fee structure, these changes achieved a fair and reasonable result for the Portfolio funds involved.

Allegro Conservative Portfolio	Alto Conservative Portfolio
Allegro Moderate Conservative Portfolio	Alto Moderate Portfolio
Allegro Moderate Portfolio	Alto Aggressive Portfolio
Allegro Moderate Aggressive Portfolio	Alto Monthly Income Portfolio
Allegro Moderate Aggressive Canada Focus Portfolio	Investors Income Portfolio
Allegro Aggressive Portfolio	Investors Fixed Income Flex Portfolio
Allegro Aggressive Canada Focus Portfolio	Investors Income Plus Portfolio
Alto Moderate Conservative Portfolio	Investors Growth Portfolio
Alto Moderate Aggressive Portfolio	Investors Growth Plus Portfolio
Alto Moderate Aggressive Canada Focus Portfolio	Investors Retirement Growth Portfolio
Alto Aggressive Canada Focus Portfolio	Investors Retirement Plus Portfolio
Alto Monthly Income and Growth Portfolio	Investors Cornerstone I Portfolio
Alto Monthly Income and Enhanced Growth Portfolio	Investors Cornerstone II Portfolio
Alto Monthly Income and Global Growth Portfolio	Investors Cornerstone III Portfolio

- ▶ **Approval of Fund Mergers.** The Manager proposed merging several Funds (as described below) into other Funds. The Manager referred the proposed mergers to the IRC for review with respect to any actual, potential or perceived conflicts of interest. The IRC determined that the proposed mergers achieved a fair and reasonable result for these Funds:
 - Investors Japanese Equity Fund was merged into Investors Pan Asian Growth Fund;
 - Investors Japanese Equity Class was merged into Investors Pan Asian Growth Class;
 - Investors European Dividend Growth Fund was merged into Investors European Equity Fund;
 - Investors Summa Global SRI Fund was merged into Investors Global Fund;
 - Investors Summa Global SRI Class was merged into Investors Global Class;
 - Investors Mergers & Acquisitions Fund was merged into Investors North American Equity Fund;
 - Investors Mergers & Acquisitions Class was merged into Investors North American Equity Class;
 - IG Mackenzie Universal Global Growth Class was merged into IG Mackenzie Ivy Foreign Equity Class; and
 - Investors Real Return Bond Fund was merged into Investors Canadian Bond Fund.

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, 2014, standing instructions were issued to the Manager for potential conflict of interest matters addressed by the following policies:

- ▶ Allocation of Expenses Policy
- ▶ Best Execution Policy
- ▶ Client Commissions Usage Policy
- ▶ Client Complaint Policy
- ▶ Conflicts of Interest Policy
- ▶ Dissemination of Portfolio Information Policy
- ▶ Employee Code of Conduct Policy
- ▶ Fund of Fund Investment Policy
- ▶ Gain/Loss Accounting Policy for Funds
- ▶ Gift & Business Entertainment Policy
- ▶ Investment in Securities of a Related Issuer Policy
- ▶ Investors Group Mutual Fund Trading Policy for Directors and Access Persons

- ▶ Outside Activities Disclosure Policy
- ▶ Personal Trading Conduct Policy
- ▶ Policy on the Acquisition or Sale by Investors Group Mutual Funds of Mortgage Backed Securities Issued by I.G. Investment Management, Ltd.
- ▶ Privacy Policy
- ▶ Proxy Voting Guidelines Policy
- ▶ Purchase, Redemption, Settlement and Trust Accounting Policy
- ▶ Short-Term Trade Monitoring Policy
- ▶ Sub-Advisor Oversight Policy
- ▶ Supply of Mortgages to Investors Mortgage and Short Term Income Fund and Investors Canadian Corporate Bond Fund Policy
- ▶ Trade Allocation Policy
- ▶ Trading Between Mutual Fund Accounts 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

The IRC would like to recognize the important contribution of the Manager and its representatives to the ongoing operation of the IRC. In particular we appreciate the complete and detailed information they provide to us, the expertise of its senior officers and their responsiveness to any inquiries that we have and the other assistance that they give us.

This report is for the operating period of the IRC from April 1, 2013 to March 31, 2014.

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 or www.sedar.com.

Cordially,

The Investors Group Funds Independent Review Committee

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

April 23, 2014

Appendix A – Investors Group mutual funds

This report covers the following Investors Group mutual funds:

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 FI Canadian Allocation Fund
IG FI Canadian Equity Fund
IG FI U.S. Large Cap Equity Fund
IG Franklin Bissett Canadian Equity Fund
IG Mackenzie Canadian Equity Growth Fund
IG Mackenzie Cundill Global Value Fund
IG Mackenzie Dividend Growth Fund
IG Mackenzie Income Fund
IG Mackenzie Ivy European Fund
IG Mackenzie Strategic Income Fund
IG Putnam Low Volatility U.S. Equity Fund
IG Putnam U.S. 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 Corporate Bond Fund
Investors Canadian Equity Fund
Investors Canadian Equity Income 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 Core Canadian Equity Fund
Investors Core U.S. Equity Fund
Investors Cornerstone I Portfolio
Investors Cornerstone II Portfolio
Investors Cornerstone III Portfolio
Investors Dividend Fund
Investors European Equity Fund
Investors European Mid-Cap Equity Fund
Investors Fixed Income Flex Portfolio
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 Greater China Fund
Investors Growth Plus Portfolio
Investors Growth Portfolio
Investors Income Plus Portfolio
Investors Income Portfolio
Investors International Equity 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 Property Fund
Investors Retirement Growth Portfolio
Investors Retirement Plus Portfolio
Investors Summa SRI™ Fund
Investors U.S. Dividend Growth Fund
Investors U.S. Equity Fund
Investors U.S. Large Cap Value Fund

Investors U.S. Money Market Fund
Investors U.S. Opportunities Fund

Income Funds

Investors Group Income Fund
Investors Group Short Term Income Fund

iProfile™ Pools

Investors Capital Yield Class**
Investors Managed Yield Class**
iProfile Canadian Equity Class**
iProfile Canadian Equity Pool
iProfile Emerging Markets Class**
iProfile Emerging Markets Pool
iProfile Fixed Income Pool
iProfile International Equity Class**
iProfile International Equity Pool
iProfile Money Market Pool
iProfile U.S. Equity Class**
iProfile U.S. Equity Pool

** Also a Corporate Class Fund

Investors Group Corporate Class Funds

Allegro Balanced Growth Canada Focus Portfolio Class
Allegro Balanced Growth Portfolio Class
Allegro Balanced Portfolio Class
Allegro Growth Canada Focus Portfolio Class
Allegro Growth 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 FI Canadian Equity Class
IG FI U.S. Large Cap Equity Class
IG Franklin Bissett Canadian Equity Class
IG Mackenzie Canadian Equity Growth Class
IG Mackenzie Cundill Global Value Class
IG Mackenzie Emerging Markets Class
IG Mackenzie Global Precious Metals Class
IG Mackenzie Ivy European Class

IG Mackenzie Ivy Foreign Equity Class
IG Mackenzie U.S. Growth Class
IG Putnam Low Volatility U.S. Equity Class
IG Putnam U.S. Growth 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 Core Canadian Equity Class
Investors Core U.S. Equity Class
Investors Dividend 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 Managed Yield 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 U.S. Equity Class
Investors U.S. Large Cap Value Class
Investors U.S. Opportunities Class
Investors U.S. Small Cap Class
iProfile Canadian Equity Class***
iProfile Emerging Markets Class***
iProfile International Equity Class***
iProfile U.S. Equity Class***
*** Also an iProfile Class