



Investors Group Funds Independent Review Committee
2017 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 conflict of interest matters 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, 2017. 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 20, 2017

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, the Investors Group Income Funds, and the Investors Risk Parity Private Pool (which is a mutual fund available only to “accredited investors” as defined in National Instrument 45-106, Prospectus and Registration Exemptions), 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 Manager¹, as required by NI 81-107, except for Mr. Russell Goodman who was appointed by the IRC itself², as contemplated by NI 81-107. Mr. Robert Tessier serves as Chair of the IRC. All of the members of the IRC have been re-appointed to additional terms following their original appointments. 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 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, 2016 to March 31, 2017 was \$368,416. This amount includes an annual retainer payable to each member, a fee for each meeting attended by the members, and reimbursement of reasonable expenses incurred

¹ Mr. Robert Tessier, Mr. Jean Lamarre, Mr. Otto Lang and Ms. Theresa McLeod were appointed in 2007.

² Mr. Russell Goodman was appointed in 2011.

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, 2016 to March 31, 2017.

The members of the IRC on an annual basis have the 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

The IRC carries 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 a recommendation;
- ▶ 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 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, 2016 to March 31, 2017, 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:

- ▶ **Establishment of region office in Richmond Hill.** Investors Real Property Fund owns an office building located at 1595 16th Avenue in Richmond Hill, Ontario, 50% of which was purchased in 1991 and the remaining 50% purchased in 2005 by this Fund. The office building is operated by Great West Life Realty Advisors (GWLRA), a related party property manager, on this Fund's

behalf. An affiliate of the Manager, Investors Group Financial Services Inc. (“IGFS”), identified this location as a key location for the establishment of a region office. Subject to the transaction being approved by the IRC, the third party property manager entered in a lease agreement with IGFS based on the following factors: current market rates for similar office buildings in the surrounding area, space that was then vacant becoming leased, and IGFS being a desirable, long term tenant in the building. The IRC approved the lease agreement on the basis that it achieved a fair and reasonable result for this Fund.

- ▶ **Joint venture with related party funds.** Investors Real Property Fund proposed to enter into a joint venture with Canada Real Estate Investment Fund No. 1 (CREIF) and London Life Real Estate Fund (LLREF) for the purchase of a 930,033 square foot Class A office complex located at 1350-1360 Rene Leveque West and 1025 Lucien L’Allier Street in Montreal, Quebec from an arm’s length third party (the “Joint Venture”). The Joint Venture would retain GWLRA as the manager of the property subject to the closing of the transaction. The purchase price was negotiated through a real estate broker that was independent from the Fund, CREIF, LLREF and their affiliates. Under the terms of the Joint Venture, the Fund, CREIF and LLREF would split the purchase price, share expenses and revenue after closing, reduce the risk of acquiring such a significantly sized property, and jointly acquire an interest in a high quality property. The IRC approved the purchase of the property through the Joint Venture, the Joint Venture itself and the retaining of GWLRA subject to the transaction closing, on the basis that all of which achieved a fair and reasonable result for this Fund.
- ▶ **Change of sub-advisor.** The Manager proposed changing the sub-advisor for IG FI Canadian Allocation to Fund to a sub-advisor of an affiliated company. While overall management fees paid by the Fund would remain the same, the sub-advisory fees would be paid to an affiliated company instead of a third party advisor. The Manager advised that its recommendations were based on the track record of the affiliated company in managing a comparable retail mandate and referred the matter to the IRC for its review with respect to any actual, potential or perceived conflicts of interest. The IRC determined that the change in sub-advisor achieved a fair and reasonable result for this Fund.
- ▶ **Approval of Fund Mergers.** The Manager proposed several Fund mergers (as described below) and referred the proposed mergers to the IRC for review with respect to any actual, potential or perceived conflicts of interest:
 - The merger of Investors Canadian Balanced Fund into Investors Mutual of Canada
 - The merger of Investors Core Canadian Equity Fund into IG Franklin Bissett Canadian Equity Fund
 - The merger of Investors Core Canadian Equity Class into IG Franklin Bissett Canadian Equity Class
 - The merger of IG Templeton International Equity Fund into IG Mackenzie Ivy European Fund
 - The merger of IG Templeton International Equity Class into IG Mackenzie Ivy European Class
 - The merger of Investors International Equity Fund into IG Mackenzie Ivy European Fund
 - The merger of Investors International Equity Class into IG Mackenzie Ivy European Class
 - The merger of Investors Greater China Fund into Investors Pan Asian Equity Fund
 - The merger of Investors Greater China Class into Investors Pan Asian Equity Class

- The merger of Alto Conservative Portfolio into Allegro Conservative Portfolio
- The merger of Alto Moderate Conservative Portfolio into Allegro Moderate Conservative Portfolio
- The merger of Alto Moderate Portfolio into Allegro Moderate Portfolio
- The merger of Alto Moderate Aggressive Portfolio into Allegro Moderate Aggressive Portfolio
- The merger of Alto Moderate Aggressive Canada Focus Portfolio into Allegro Moderate Aggressive Portfolio
- The merger of Allegro Moderate Aggressive Canada Focus Portfolio into Allegro Moderate Aggressive Portfolio
- The merger of Alto Aggressive Portfolio into Allegro Aggressive Portfolio
- The merger of Alto Aggressive Canada Focus Portfolio into Allegro Aggressive Portfolio
- The merger of Allegro Aggressive Canada Focus Portfolio into Allegro Aggressive Portfolio
- The merger of Allegro Balanced Growth Canada Focus Portfolio Class into Allegro Balanced Growth Portfolio Class
- The merger of Allegro Growth Canada Focus Portfolio Class into Allegro Growth Portfolio Class

The IRC determined that the proposed mergers achieved a fair and reasonable result for these Funds.

Subsequent to the IRC's decision, the Manager elected not to proceed with the mergers until it could review the implications of the 2017 Federal Budget, which was announced after the IRC's determination, and which included proposed changes to the taxation rules relating to mergers of mutual fund corporations.

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 conflict 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, 2017, 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 Corporate Class Inc. Dividend 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 any 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, 2016 to March 31, 2017.

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 20, 2017

Appendix A – Investors Group mutual funds

This report covers the following Investors Group mutual funds:

UNIT TRUST FUNDS

Allegro Aggressive Canada Focus Portfolio	IG Templeton International Equity Fund
Allegro Aggressive Portfolio 1	Investors Canadian Balanced Fund
Allegro Conservative Portfolio 1	Investors Canadian Bond Fund
Allegro Moderate Aggressive Canada Focus Portfolio	Investors Canadian Corporate Bond Fund
Allegro Moderate Aggressive Portfolio 1	Investors Canadian Equity Fund
Allegro Moderate Conservative Portfolio 1	Investors Canadian Equity Income Fund
Allegro Moderate Portfolio 1	Investors Canadian Growth Fund
Alto Aggressive Canada Focus Portfolio	Investors Canadian High Yield Income Fund
Alto Aggressive Portfolio 1	Investors Canadian Large Cap Value Fund
Alto Conservative Portfolio 1	Investors Canadian Money Market Fund 1
Alto Moderate Aggressive Canada Focus Portfolio	Investors Canadian Natural Resource Fund
Alto Moderate Aggressive Portfolio 1	Investors Canadian Small Cap Fund
Alto Moderate Conservative Portfolio 1	Investors Canadian Small Cap Growth Fund
Alto Moderate Portfolio 1	Investors Core Canadian Equity Fund
Alto Monthly Income and Enhanced Growth Portfolio	Investors Core U.S. Equity Fund
Alto Monthly Income and Global Growth Portfolio	Investors Cornerstone I Portfolio
Alto Monthly Income and Growth Portfolio	Investors Cornerstone II Portfolio
Alto Monthly Income Portfolio	Investors Cornerstone III Portfolio 1
IG AGF Canadian Balanced Fund	Investors Dividend Fund
IG AGF Global Equity Fund	Investors European Equity Fund
IG AGF U.S. Growth Fund	Investors European Mid-Cap Equity Fund
IG Beutel Goodman Canadian Balanced Fund	Investors Fixed Income Flex Portfolio
IG Beutel Goodman Canadian Equity Fund	Investors Global Bond Fund
IG Beutel Goodman Canadian Small Cap Fund	Investors Global Dividend Fund
IG FI Canadian Allocation Fund	Investors Global Financial Services Fund
IG FI Canadian Equity Fund	Investors Global Fixed Income Flex Portfolio
IG FI U.S. Large Cap Equity Fund	Investors Global Fund
IG Fiera Canadian Small Cap Fund (formerly IG AGF Canadian Diversified Growth Fund)	Investors Global Real Estate Fund
IG Franklin Bissett Canadian Equity Fund	Investors Global Science & Technology Fund
IG Mackenzie Canadian Equity Growth Fund	Investors Greater China Fund
IG Mackenzie Cundill Global Value Fund	Investors Growth Plus Portfolio
IG Mackenzie Dividend Growth Fund	Investors Growth Portfolio
IG Mackenzie Floating Rate Income Fund	Investors Income Plus Portfolio
IG Mackenzie Income Fund	Investors International Equity Fund
IG Mackenzie Ivy European Fund	Investors Low Volatility Canadian Equity Fund
IG Mackenzie Strategic Income Fund	Investors Low Volatility Global Equity Fund
IG Putnam Emerging Markets Income Fund	Investors Mortgage and Short Term Income Fund
IG Putnam Low Volatility U.S. Equity Fund	Investors Mutual of Canada
IG Putnam U.S. Growth Fund	Investors North American Equity Fund
IG Putnam U.S. High Yield Income Fund	Investors Pacific International Fund
	Investors Pan Asian Equity Fund
	Investors Quebec Enterprise Fund
	Investors Real Property Fund
	Investors Retirement Growth Portfolio
	Investors Retirement Plus Portfolio

Investors Summa SRITM Fund
Investors U.S. Dividend Growth Fund
Investors U.S. Large Cap Value Fund
Investors U.S. Money Market Fund
Investors U.S. Opportunities Fund
Investors U.S. Dividend Registered Fund
Maestro Balanced Portfolio
Maestro Growth Focused Portfolio
Maestro Income Balanced Portfolio

iPROFILE™ FUNDS

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 U.S. Equity Class**
iProfile U.S. Equity Pool*

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
Allegro Income Balanced Portfolio 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 Fiera Canadian Small Cap 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 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 Money Market Class***
Investors Canadian Small Cap Class
Investors Canadian Small Cap Growth 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 Low Volatility Canadian Equity Class
Investors Low Volatility Global Equity Class
Investors North American Equity Class
Investors Pacific International Class
Investors Pan Asian Equity Class
Investors Québec Enterprise Class
Investors Summa SRITM Class
Investors U.S. Large Cap Value Class
Investors U.S. Opportunities Class
Investors U.S. Small Cap Class
Maestro Balanced Portfolio Class
Maestro Growth Focused Portfolio Class
Maestro Income Balanced Portfolio Class

FUNDS SOLD UNDER A PROSPECTUS EXEMPTION

Investors Risk Parity Private Pool

* Unit Trust Fund

** Corporate Class Fund

*** Also an iProfile Class

1 Also an RDSP Series Fund