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# IG FI International Equity Class

## Annual Management Report of Fund Performance

FOR THE PERIOD ENDED MARCH 31, 2011

### CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements about the Fund, including its strategy, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” or negative versions thereof and similar expressions.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

We stress that the above mentioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.

### CAUTION REGARDING FUTURE PERFORMANCE

Sales commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the Prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in share value and reinvestment of all dividends (except for fee rebates) and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any investor that would have reduced returns. Mutual funds are not guaranteed. Their values change frequently and past performance may not be repeated.

Investors Group Corporate Class Inc. has separate classes of shares and separate series of each class. Each class of shares represents a separate investment fund which has a separate portfolio of investments. The following report is for the above-named fund, which is one such class of Investors Group Corporate Class Inc.

This annual Management Report of Fund Performance contains financial highlights, but does not contain the complete financial statements of the investment fund. If the audited annual financial statements of your investment fund did not accompany the mailing of this report, you may receive a copy of them at your request, and at no cost, by calling 1-888-746-6344 (1-800-661-4578 if you live in Quebec) or by writing to us at 447 Portage Avenue, Winnipeg, Manitoba, R3C 3B6 (2001 University Street, Suite 2000, Montreal, Quebec, H3A 2A6 if you live in Quebec), or by visiting our website at [www.investorsgroup.com](http://www.investorsgroup.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

Securityholders may also use one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Every effort has been made to ensure that the information contained in this Report is accurate as of March 31, 2011 (except when stated otherwise), however, the Portfolio Fund cannot guarantee the accuracy or the completeness of this material. Please refer to the Portfolio Fund's Prospectus and audited annual financial statements for more information.

References to “Consultant” or “Consultants” mean “Representative” or “Representatives” in Quebec.

**For current net asset values per share for the Fund and for more recent information on general market events, please visit our website at [www.investorsgroup.com](http://www.investorsgroup.com).**

# Management Discussion of Fund Performance

This management discussion of Fund performance presents views of the portfolio management team about the significant factors and developments affecting the Fund's performance and outlook since its inception.

The commentary in this section is general information about the Fund's recent performance.

Please read the caution regarding forward-looking statements located on the first page of this document.

## Investment Objective and Strategies

The Fund aims to provide long-term capital appreciation through exposure to equity securities of companies located outside Canada and the U.S. by investing primarily in units of other Investors Group Funds and/or directly in equity securities.

## Risk

The overall level of risk of investing in the Fund remains as discussed in the Prospectus, and is not expected to have significantly increased or decreased as a result of operations during the period. Accordingly, the Fund also remains suitable for the same investors as discussed in the Prospectus.

## Results of Operations

(BASED ON INFORMATION AS AT MARCH 31, 2011)

The Fund commenced operations on July 12, 2010. By March 31, 2011 net assets were \$1.4 million. This change was comprised primarily of an increase of \$1.4 million due to net proceeds from the issuance of the Fund's securities. Average net assets of the Fund for the period were \$0.6 million. Average net assets influence revenue earned and expenses incurred by the Fund during the period. See Series Information later in this report.

The Fund commenced operations on July 12, 2010. As a result, 12-month performance data is not yet available.

As at and for the period ended March 31, 2011, substantially all the net assets of the Fund were invested in IG FI International Equity Fund Series P (the "Underlying Fund"). As a result, the management discussion which follows reflects the investment activity of the Underlying Fund.

From the inception date to the end of the period, the United Kingdom had the largest outperformance, followed by the Europe ex U.K. region. Eight of the 10 sectors positively impacted performance. Consumer discretionary and energy were among the largest sector contributors to

relative performance, while the consumer staples and information technology sectors detracted.

The Underlying Fund remains relatively neutral across regions. While maintaining similar sector weightings relative to the MSCI EAFE (Net) Index, active stock selection results in slight overweights in telecommunication services, consumer discretionary, and information technology stocks, and slight underweights in utilities, consumer staples and health care stocks.

## Recent Developments

(BASED ON INFORMATION AS AT APRIL 22, 2011)

The global economy strengthened over the period, leading to improving corporate profitability and advancing stock prices around the world.

However, volatility and risk aversion returned to the global capital market as the Greek sovereign debt crisis weighed on Europe and a weaker-than-expected economic recovery occurred in many developed nations.

In the second half of 2010, however, followed by the second round of U.S. quantitative easing and the bailout packages to Greece and Ireland, markets rebounded strongly and finished 2010 on a high note.

During the first three months of 2011, the rising commodity prices increased inflationary pressures, which caused many developing economies to switch to tight monetary policy. Middle East turmoil and the Japanese crisis led to higher volatility and oil prices, but the global economic recovery led by the U.S. remained intact.

## Other Developments

### INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

As previously confirmed by the Canadian Accounting Standards Board ("AcSB"), most Canadian publicly accountable entities adopted IFRS, as published by the International Accounting Standards Board ("IASB"), on January 1, 2011. However, the AcSB has allowed most investment funds to defer adoption of IFRS until fiscal years beginning on or after January 1, 2013. Accordingly, the Fund will adopt IFRS for its fiscal period beginning April 1, 2013, and will issue its initial financial statements in accordance with IFRS, including comparative information, for the interim period ending September 30, 2013.

The Manager has identified the key differences between IFRS and Canadian generally accepted accounting principles ("GAAP") that are expected to affect the Fund, and has developed an IFRS changeover plan, including a formal project governance structure, that addresses key elements of the conversion to IFRS. Elements of the plan include evaluating the impacts of the changeover on all business activities, accounting policies,

information technology and data systems, internal controls over financial reporting, and disclosure controls and procedures. As the Fund's changeover plans are implemented, requirements for financial reporting resources and training are being modified appropriately.

Based on the Manager's current evaluation of the differences between Canadian GAAP and IFRS, the adoption of IFRS is not expected to have a significant impact on the calculation of NAV per security. IFRS is expected to affect the overall presentation of financial statements and result in additional disclosure in the accompanying notes. The Manager continues to monitor changes to IFRS proposed by the IASB and relevant amendments by the AcSB, and the current assessment and IFRS changeover plans may change if new standards are issued or if interpretations of existing standards are revised.

## Related Party Transactions

I.G. Investment Management, Ltd. is the Manager and Portfolio Advisor of the Fund. The Fund is offered through the Consultants of Investors Group Financial Services Inc. and Investors Group Securities Inc., together referred to as the Distributors. The Manager, Portfolio Advisor and Distributors are, indirectly, wholly owned subsidiaries of IGM Financial Inc.

The following sub-advisor has been retained to provide investment services to the Fund:

- Fidelity Investments Canada ULC, through its affiliate Pyramis Global Advisors, LLC.

The Fund paid 2.15% (per annum) of its net assets to the Manager and Portfolio Advisor, in aggregate, for management and portfolio advisory services (see Management Fees).

The Fund paid the Manager an administration fee equal to 0.23% annually of the net assets attributable to Series A and B. In exchange for the administration fee, the Manager pays the operating costs and expenses of the Fund, except for certain specified Fund costs.

The Fund paid the Distributors a service fee as compensation for providing or arranging for the provision of services to the Fund, including the issue or allotment of shares. The Fund paid the Distributors 0.30% annually of the net assets attributable to Series A, and 0.45% annually of the net assets attributable to Series B.

Total payments by the Fund (excluding GST/HST) to the Manager and parties related to the Manager for the year ended March 31, 2011 were:

	\$000's
Management fee (net of rebates)	9
Administration fee	1
Distributor service fee	2
	12

## Management Fees

The Fund pays Investors Group a management fee. The management fee paid by each series is calculated as a percentage of the net asset value of the series, as of the close of business on each business day (see Related Party Transactions for rates payable by each series). Management fees were used in part to pay costs incurred in providing investment advisory and management services, and distribution-related services including the cost of financial planning services, Consultant commissions and bonuses, marketing and other Fund promotional activities and educational conferences.

For the 12-month period ended March 31, 2011, on average approximately 54% of the total management fee revenues received from all Investors Group Funds was attributable to investment advisory and management services. The balance of these fees was used to fund the payment of distribution-related services.

For this Fund, payment for distribution-related services exceeded 100% of the total management fees paid for the 12-month period ended March 31, 2011. This may vary by series depending upon the assets invested in each series.

Because this Fund is relatively new, distribution-related services paid are expected to comprise a higher proportion of the Fund's management fee than the average for all Investors Group Funds. To the extent that management fees did not fully cover the costs of services provided to the Fund, the difference was funded directly by Investors Group.

## Summary of Investment Portfolio

AT MARCH 31, 2011

As at and for the period ended March 31, 2011, substantially all the net assets of the Fund were invested in IG FI International Equity Fund Series P (the "Underlying Fund"). As a result, the largest holdings of the Underlying Fund (up to 25) at the end of the period, and the major asset classes in which the Underlying Fund was invested, are indicated below. The Funds held no short positions at the end of the period. This summary of investment portfolio may change due to ongoing portfolio transactions. The summary of investment portfolio will be updated as at the end of the next quarter. Please see the front page for information about how it can be obtained.

The Management Report of Fund Performance, Prospectus, Financial Statements and other information for the Underlying Fund is available upon request, and at no cost, by using one of the methods located on the front of this document.

### Summary of Top 25 Holdings

	% of net asset value
Cash and short-term investments	3.0
Nestle SA Reg.	2.4
Royal Dutch Shell PLC A	1.7
HSBC Holdings PLC	1.7
Novo Nordisk AS B	1.6
Siemens AG	1.6
Vodafone Group PLC	1.5
Volkswagen AG Pfd.	1.2
BG Group PLC	1.2
Australia and New Zealand Banking Group Ltd.	1.1
Saipem SPA	1.0
Anglo American PLC	1.0
BP PLC	1.0
Swisscom AG Reg.	1.0
UBS AG Reg.	1.0
Commonwealth Bank of Australia	0.9
Linde AG	0.9
Rio Tinto Ltd.	0.9
Banco Bilbao Vizcaya Argentaria SA	0.9
Barclays PLC	0.9
BNP Paribas	0.9
Royal Dutch Shell PLC B	0.9
Societe Generale	0.9
Xstrata PLC	0.9
Newcrest Mining Ltd.	0.9
	<b>31.0</b>

### Summary of Composition of the Portfolio

	% of net asset value
<b>BY ASSET TYPE</b>	
Equities	96.2
Cash and short-term investments	3.0
Other net assets (liabilities)	0.8
<b>Total</b>	<b>100.0</b>
<b>BY REGION</b>	
Europe ex U.K.	44.1
United Kingdom	19.5
Japan	19.4
Pacific ex Japan	13.0
Middle East	0.2
	<b>96.2</b>
<b>BY SECTOR</b>	
Financials	23.1
Industrials	12.6
Materials	11.3
Consumer Discretionary	10.8
Energy	8.6
Consumer Staples	8.3
Health Care	6.8
Telecommunication Services	6.5
Information Technology	5.0
Utilities	3.2
	<b>96.2</b>

## Past Performance

Past Performance has not been provided because the Fund is less than one year old.

## Series Information

Series	Purchase Options Available <sup>1</sup>	Management Fee (%)	Service Fee (%)	Administration Fee (%)
Series A	DSC	2.15	0.30	0.23
Series B	NL	2.15	0.45	0.23

<sup>1</sup> Deferred Sales Charge (DSC) investments have a redemption fee when sold of up to 5.50% that declines to 0% after 7 years. No Load (NL) investments do not have a DSC when sold. Other fees may apply. See the Fund's Prospectus for additional information.

## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for up to the past five financial years.

Footnotes are presented after Ratios and Supplemental Data.

### Net Assets per Share<sup>1</sup>

<b>SERIES A</b> (in \$)	12 mo Mar. 31 2011	12 mo Mar. 31 2010	6 mo Mar. 31 2009	12 mo Sep. 30 2008	12 mo Sep. 30 2007
<b>Net assets, beginning of period<sup>2</sup></b>	10.00	n/a	n/a	n/a	n/a
<b>Increase (decrease) from operations:</b>					
Total revenue	-	n/a	n/a	n/a	n/a
Total expenses	(0.23)	n/a	n/a	n/a	n/a
Realized gains (losses) for the period	0.14	n/a	n/a	n/a	n/a
Unrealized gains (losses) for the period	1.33	n/a	n/a	n/a	n/a
<b>Total increase (decrease) from operations<sup>3</sup></b>	1.24	n/a	n/a	n/a	n/a
<b>Dividends:</b>					
Ordinary	-	n/a	n/a	n/a	n/a
Capital gains	-	n/a	n/a	n/a	n/a
Return of capital	-	n/a	n/a	n/a	n/a
<b>Total annual dividends<sup>4</sup></b>	-	n/a	n/a	n/a	n/a
<b>Net assets at period end</b>	11.30	n/a	n/a	n/a	n/a

<b>SERIES B</b> (in \$)	12 mo Mar. 31 2011	12 mo Mar. 31 2010	6 mo Mar. 31 2009	12 mo Sep. 30 2008	12 mo Sep. 30 2007
<b>Net assets, beginning of period<sup>2</sup></b>	10.00	n/a	n/a	n/a	n/a
<b>Increase (decrease) from operations:</b>					
Total revenue	-	n/a	n/a	n/a	n/a
Total expenses	(0.24)	n/a	n/a	n/a	n/a
Realized gains (losses) for the period	0.14	n/a	n/a	n/a	n/a
Unrealized gains (losses) for the period	1.32	n/a	n/a	n/a	n/a
<b>Total increase (decrease) from operations<sup>3</sup></b>	1.22	n/a	n/a	n/a	n/a
<b>Dividends:</b>					
Ordinary	-	n/a	n/a	n/a	n/a
Capital gains	-	n/a	n/a	n/a	n/a
Return of capital	-	n/a	n/a	n/a	n/a
<b>Total annual dividends<sup>4</sup></b>	-	n/a	n/a	n/a	n/a
<b>Net assets at period end</b>	11.29	n/a	n/a	n/a	n/a

**Ratios and Supplemental Data**

<b>SERIES A</b>	12 mo Mar. 31 2011	12 mo Mar. 31 2010	6 mo Mar. 31 2009	12 mo Sep. 30 2008	12 mo Sep. 30 2007
Total net asset value (pricing NAV) <sup>2</sup> (\$000's)	718	n/a	n/a	n/a	n/a
Number of shares outstanding (000's)	64	n/a	n/a	n/a	n/a
Management expense ratio <sup>5</sup> (%)	2.89	n/a	n/a	n/a	n/a
Management expense ratio before waivers or absorptions (%)	2.89	n/a	n/a	n/a	n/a
Trading expense ratio <sup>6</sup> (%)	0.97	n/a	n/a	n/a	n/a
Portfolio turnover rate <sup>7</sup> (%)	42.12	n/a	n/a	n/a	n/a
Net asset value per share (pricing NAV) <sup>2</sup> (\$)	11.30	n/a	n/a	n/a	n/a

<b>SERIES B</b>	12 mo Mar. 31 2011	12 mo Mar. 31 2010	6 mo Mar. 31 2009	12 mo Sep. 30 2008	12 mo Sep. 30 2007
Total net asset value (pricing NAV) <sup>2</sup> (\$000's)	661	n/a	n/a	n/a	n/a
Number of shares outstanding (000's)	59	n/a	n/a	n/a	n/a
Management expense ratio <sup>5</sup> (%)	3.00	n/a	n/a	n/a	n/a
Management expense ratio before waivers or absorptions (%)	3.00	n/a	n/a	n/a	n/a
Trading expense ratio <sup>6</sup> (%)	0.97	n/a	n/a	n/a	n/a
Portfolio turnover rate <sup>7</sup> (%)	42.12	n/a	n/a	n/a	n/a
Net asset value per share (pricing NAV) <sup>2</sup> (\$)	11.29	n/a	n/a	n/a	n/a

<sup>1</sup> These calculations are prescribed by securities regulations and are not intended to be a reconciliation between opening and closing net assets per unit. This information is derived from the Fund's audited annual financial statements.

<sup>2</sup> The net assets per security presented in the financial statements may differ from the net asset value calculated for Fund pricing purposes. This difference is due to the requirements of generally accepted accounting principles ("GAAP"), including CICA Handbook Section 3855, and may result in a different valuation of securities held by the Fund in accordance with GAAP than the market value used to determine net asset value of the Fund for the purchase and redemption of the Fund's shares ("pricing NAV"). The pricing NAV per share at the end of the period is disclosed in Ratios and Supplemental Data.

<sup>3</sup> Net asset value and dividends are based on the actual number of shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of shares outstanding over the financial period. In the period a series is established, the financial information is provided from the date of inception to the end of the period.

<sup>4</sup> Dividends were paid in cash, reinvested in additional shares of the Fund, or both.

<sup>5</sup> Management expense ratio (MER) is based on total expenses, excluding commissions and other portfolio transaction costs, for the stated period and is expressed as an annualized percentage of daily average net assets during the period, except as noted. In the period a series is established, the MER is annualized from the date of inception to the end of the period. Where a Fund directly or indirectly via derivative contract invests in units/shares of an Underlying Fund, the MERs presented for the Fund include the portion of MERs of the Underlying Fund attributable to this investment. Correspondingly, the MERs presented for the Fund exclude any management or other fees that are waived as a result of its investment in the Underlying Fund. Certain expenses that are non-recurring and/or otherwise uncertain as to their future timing and amount have not been annualized.

<sup>6</sup> The trading expense ratio represents total commissions and other portfolio transaction costs incurred as an annualized percentage of daily average net assets during the period. Where a Fund invests in units/shares of an Underlying Fund, the TERs presented for the Fund include the portion of TERs of the Underlying Fund attributable to this investment from 2008 onwards.

<sup>7</sup> The Fund's portfolio turnover rate indicates how actively the Fund's Portfolio Advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. Generally, the higher a Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a Fund. Costs incurred to realign the Fund's portfolio after a fund merger, if any, are excluded from the portfolio turnover rate.

