
IG FI International Equity Class

Annual Financial Statements

FOR THE PERIOD ENDED MARCH 31, 2011

IG FI International Equity Class

ANNUAL FINANCIAL STATEMENTS

MARCH 31, 2011

STATEMENTS OF NET ASSETS

as at March 31 (in \$ 000 except per share amounts)

| | 2011 |
|--|--------------|
| Assets: | |
| Investments | 1,379 |
| Cash and short-term investments | - |
| Accrued interest and dividends receivable | - |
| Taxes recoverable (payable) | - |
| Accounts receivable for securities sold | - |
| Due from brokers | - |
| Due from manager | - |
| Net margin on futures contracts | - |
| Unrealized gains on forward contracts and other derivatives | - |
| Other assets | - |
| | - |
| Total assets | 1,379 |
| Liabilities: | |
| Bank overdraft | - |
| Due to brokers | - |
| Accounts payable for securities redeemed | - |
| Accrued expenses | - |
| Liability for options written | - |
| Unrealized losses on forward contracts and other derivatives | - |
| Other liabilities | - |
| | - |
| Total liabilities | - |
| Net assets | 1,379 |
| | |
| Net assets per series, end of period | |
| Series A | 718 |
| Series B | 661 |
| | |
| Net assets per share, end of period | |
| Series A | 11.30 |
| Series B | 11.29 |

STATEMENTS OF OPERATIONS

for the period ended March 31 (in \$ 000 except per share amounts)

| | 2011 |
|---|-------------|
| Income: | |
| Dividends | - |
| Trust income | - |
| Interest and other income | - |
| Income (loss) from derivatives | - |
| Securities lending | - |
| Foreign withholding taxes | - |
| | - |
| Expenses: | |
| Management fees | 9 |
| Management fee rebates | - |
| Service fees | 2 |
| Administration fees | 1 |
| Goods and services tax / Harmonized sales tax | 1 |
| Capital tax | - |
| Independent Review Committee costs | - |
| Other | - |
| | 13 |
| Expense reductions | - |
| | 13 |
| Net income (loss) | (13) |
| Realized gain (loss) | 13 |
| Unrealized gain (loss) | 15 |
| Commissions and other portfolio transaction costs | - |
| Net realized and unrealized gain (loss) | |
| from investments and foreign exchange | 28 |
| Net increase (decrease) in net assets | |
| from operations | 15 |
| | |
| Net increase (decrease) in net assets | |
| from operations per series | |
| Series A | 23 |
| Series B | (8) |
| | |
| Net increase (decrease) in net assets | |
| from operations per share | |
| Series A | 1.30 |
| Series B | 1.29 |

IG FI International Equity Class

ANNUAL FINANCIAL STATEMENTS

MARCH 31, 2011

STATEMENTS OF CHANGES IN NET ASSETS

for the period ended March 31 (in \$ 000 except when stated)

| | SERIES A | SERIES B | TOTAL |
|--|----------|----------|-------|
| | 2011 | 2011 | 2011 |
| Net assets, beginning of period | - | - | - |
| Increase (decrease) in net assets resulting from: | | | |
| Operations | 23 | (8) | 15 |
| Dividends: | | | |
| Ordinary | - | - | - |
| Capital gains | - | - | - |
| Management fee rebates | - | - | - |
| Total dividends | - | - | - |
| Share transactions: | | | |
| Proceeds from sale of shares | 924 | 702 | 1,626 |
| Reinvested from dividends | - | - | - |
| Payment on redemption of shares | (229) | (33) | (262) |
| Total share transactions | 695 | 669 | 1,364 |
| Increase (decrease) in net assets | 718 | 661 | 1,379 |
| Net assets, end of period | 718 | 661 | 1,379 |
| Increase (decrease) in shares (in thousands): | | | |
| Shares outstanding, beginning of period | - | - | |
| Add (deduct): | | | |
| Shares sold | 83 | 62 | |
| Reinvested from dividends | - | - | |
| Shares redeemed | (19) | (3) | |
| Shares outstanding, end of period | 64 | 59 | |

IG FI International Equity Class

ANNUAL FINANCIAL STATEMENTS

MARCH 31, 2011

STATEMENT OF INVESTMENTS

at March 31, 2011

| | No. of Units, Shares, or Par Value | Average Cost (\$ 000) | Fair Value (\$ 000) |
|--|--|-----------------------------|---------------------------|
| MUTUAL FUNDS | | | |
| IG FI International Equity Fund Series P | 119,706 | 1,364 | 1,379 |
| Net Assets: | | | |
| Total investments | | | 1,379 |
| Cash and short-term investments | | | - |
| Other net assets (liabilities) | | | - |
| | | | <u>1,379</u> |

See accompanying notes to financial statements.

1. ORGANIZATION OF THE CORPORATION, THE FUND, FISCAL PERIODS AND GENERAL INFORMATION**(a) Organization of the Corporation, the Fund and fiscal periods**

Investors Group Corporate Class Inc. (the "Corporation") is a mutual fund corporation incorporated under the laws of Canada on July 17, 2002. The Fund is a class of shares of the Corporation. The Corporation is authorized to issue an unlimited number of common shares and mutual fund shares. If issued, Series Z shares are only available for purchase by other Investors Group Funds or other qualified investors. All series generally share in the operations of the Fund, including net income, realized gain (loss) and unrealized gain (loss), on a pro rata basis except for items that can be specifically attributed to one or more series. Dividends for each series may vary, partly due to the differences in expenses between the series.

The financial statements of the Fund are presented as at and for the 12-month periods ended March 31, 2011, and March 31, 2010. If applicable, financial results for the Fund or series established during the periods are presented from the date operations commenced to March 31 of that fiscal period.

(b) General information

I.G. Investment Management, Ltd. is the Manager of the Fund. The Fund is distributed by Investors Group Financial Services Inc. and Investors Group Securities Inc. (collectively, the "Distributors"). These companies are, indirectly, wholly owned subsidiaries of IGM Financial Inc.

IGM Financial Inc. is a subsidiary of Power Financial Corp. and Power Corporation of Canada. Power Financial Corp. also owns a majority of Great-West Lifeco Inc. and its related companies and, therefore, those companies are considered affiliates of the Manager and Distributors. The Fund may invest in certain securities within the Power Group of Companies, subject to certain governance criteria, and these holdings, as at the end of the period, have been identified on the Statement of Investments for the Fund. Any transactions during the period were executed through market intermediaries and under prevailing market terms and conditions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). GAAP requires Management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results may differ from such estimates. The significant accounting policies of the Fund are as follows

(a) Valuation of investments

Investments are deemed to be held for trading in accordance with CICA Section 3855, Financial Instruments – Recognition and Measurement ("Section 3855") and therefore are recorded at fair value. Investment purchase and sale transactions are recorded as of the trade date. Realized and unrealized gains and losses on investments are calculated based on average cost of investments, excluding brokerage commissions and other trading costs. Brokers' commissions and other transaction charges are immediately charged to net income in the period incurred. Cost of securities presented in the Statement of Investments represents the amount paid for each security, including brokerage commissions and other trading costs, and is determined on an average cost basis. See Note 10 for the fair value classification of financial instruments as at the end of the period.

(i) Equity securities, bonds and other mutual funds

Investments in securities listed on a public securities exchange or traded on an over-the-counter market are valued at the closing bid price. Securities with no available closing bid prices are valued at the last trade or closing price. Investments in securities of another mutual fund are valued on a business day at the net asset value per security calculated in accordance with the offering documents of such mutual fund. Unlisted or non-exchange traded securities, or securities for which a bid price, last sale or closing price are unavailable or securities for which market quotations are, in the Manager's opinion, inaccurate, unreliable or not reflective of all available material information, are valued at their estimated fair value, determined by using appropriate and accepted industry valuation techniques including valuation models. The estimated fair value of a security determined using valuation models requires the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices. In limited circumstances, the estimated fair value of a security may be determined using valuation techniques that are not supported by observable market data.

(ii) Futures contracts

Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded. The value of a contract is the gain or loss that would be realized upon closure. Margin deposited in respect of futures contracts, net of the unrealized gain or loss, is included on the Statements of Net Assets. Any change in the margin requirement is settled daily.

(iii) Forward contracts

Forward contracts, including forward currency contracts, are valued at the gain or loss that would arise as a result of closing the position at the reporting date.

(iv) Options contracts

Premiums received from writing options are included in the Statements of Net Assets as a liability and subsequently adjusted daily to fair value. If a written option expires unexercised, the premium received is recognized as a realized gain. If a written call option is exercised, the difference between the proceeds of the sale plus the value of the premium, and the cost of the security is recognized as a realized gain or loss. If a written put option is exercised, the cost of the security acquired is the exercise price of the option less the premium received.

(b) Cash and short-term investments

Cash and short-term investments are comprised of cash on deposit and short-term investments with terms to maturity of less than one year at acquisition. Cash and short-term investments are carried at fair value.

(c) Currency

All amounts are expressed in Canadian dollars. Foreign currency amounts have been expressed in Canadian dollars on the following bases:

(i) Fair value of investments and other assets and liabilities at the rate of exchange at the end of the period.

(ii) Income, expenses, purchases and sales of investments at the rate of exchange on the dates of such transactions.

(d) Income recognition

Income from investments is recognized on an accrual basis. Dividend income is recognized at the time a security trades on an ex-dividend basis. Interest income is based on the number of days the investment is held during the period.

(e) Securities lending and repurchase transactions

The Fund may be permitted to enter into securities lending, repurchase and reverse repurchase transactions as set out in the Fund's Simplified Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to deliver the same securities on a future date. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions is recognized on the accrual basis and included in the Statements of Operations. All the counterparties have a sufficient, approved credit rating and the value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased. The value of securities loaned and collateral received from securities lending as of the end of the periods, if applicable, is disclosed in Note 10. Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments, and financial institutions.

(f) Per share information

(i) Net assets per share is computed by dividing the net assets attributable to the series, determined in accordance with GAAP, by the total number of shares of the series outstanding.

(ii) Net increase/(decrease) in net assets from operations per share, represents the net increase/(decrease) in net assets of the series from operations for the period divided by the weighted average shares outstanding for the series during the period.

(g) Other assets and liabilities

For the purposes of categorization in accordance with Section 3855, accrued interest and dividends receivable for securities issued, amounts due from brokers, the Manager, and other net assets are designated as loans and receivables and recorded at cost or amortized cost. Similarly, amounts due to brokers, accounts payable for securities redeemed, accrued expenses and other liabilities are designated as other financial liabilities and reported at cost or amortized cost. Cost or amortized cost approximates fair value for these assets and liabilities.

(h) Comparative figures

Certain prior period comparative amounts have been restated to conform to the current period's presentation.

(i) Changes in accounting policies

In March 2009, the CICA issued amendments to CICA 3862, Financial Instruments – Disclosures to align with IFRS 7, Financial Instruments – Disclosures. The amendments require all financial instruments measured at fair value to be classified into one of three levels that distinguish fair value measurements by the significance of the inputs used for valuation. Effective with the annual financial statements for the year ended March 31, 2010, the Fund has included these disclosures in the financial statements.

(j) Future accounting changes

As previously confirmed by the Canadian Accounting Standards Board ("AcSB"), most Canadian publicly accountable entities adopted all International Financial Reporting Standards ("IFRS"), as published by the International Accounting Standards Board, 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.

3. MANAGEMENT FEES AND OTHER EXPENSES

- (a) Each series of the Fund will incur expenses that can be specifically attributed to that series. Common expenses of the Fund are allocated across the series of the Fund on a pro rata basis. Common expenses of the Corporation are allocated across the Funds on a pro rata basis.
- (b) The Manager provides or arranges for the provision of investment and advisory services for a management fee. See Note 10 for the annual rates paid (as a percent of average assets) by the Fund.
- (c) The Fund pays the Manager an administrative services fee and in return the Manager will bear the operating expenses of the Fund, other than certain specified Fund costs. See Note 10 for the annual rates paid, including applicable implementation period adjustments (as a percent of average assets) by the Fund.
- Other Fund costs include taxes (including but not limited to GST/HST, income tax and capital tax), transaction costs related to the purchase and sale of investments and derivatives, interest and borrowing costs, and Independent Review Committee ("IRC") costs.
- (d) The Fund may pay the Distributors a service fee to compensate them for providing or arranging for the provision of services to the Fund. See Note 10 for the annual rates paid (as a percent of average assets) by the Fund.
- (e) GST/HST paid by the Fund on its expenses is not recoverable.
- (f) Other expenses are comprised of interest and borrowing charges and other miscellaneous expenses.
- (g) The Manager may, at its discretion, pay certain expenses of the Fund so the Fund's performance remains competitive; however, there is no assurance that this will occur in the future. Any expenses absorbed by the Manager during the periods have been identified in the Statements of Operations.

4. NET ASSET VALUE PER SHARE

Net asset value (or "pricing NAV") per share is computed by dividing the net asset value attributable to a series, determined for the purchase and redemption of shares in accordance with the Fund's Prospectus and annual information form, by the total number of shares of the series outstanding. This amount may be different from the net asset per share calculation, which is presented on the Statements of Net Assets. Generally, any difference is due to valuing actively traded securities at bid price for GAAP purposes while pricing NAV typically utilizes closing price to determine fair value for the purchase and redemption of shares. See Note 10 for the net asset values per share as of March 31, 2011 and 2010 for the Fund.

5. INCOME TAXES

The Corporation qualifies as a mutual fund corporation under the Income Tax Act (Canada). As a mutual fund corporation, the Corporation computes its net income (loss) and net capital gains (losses) for income tax purposes as a single entity, not on a fund-by-fund basis. Therefore, net losses of one Corporate Class Fund may be used to offset net gains of another Corporate Class Fund to reduce the total net income or net gain of the Corporation as a whole. The taxation year-end for the Corporation is December 31.

The general income tax rules associated with a public corporation also apply to a mutual fund corporation with the exception that income taxes payable on capital gains are refundable on a formula basis when issued shares of the Corporation are redeemed or capital gain dividends are paid. The Corporation is subject to a refundable tax of one-third of dividends received from certain taxable Canadian corporations. This tax is refundable at the rate of \$1 for every \$3 of ordinary dividends paid. To the extent there is net income from other sources (such as interest and foreign income), it is taxed at the full general corporate rate before the general rate reductions. In the event that there is an overall loss for the Corporation, this loss can be carried back three years or forward to a subsequent year and used to reduce taxes payable for those years.

As of the end of the last taxation year, the Corporation had \$58,589,000 of capital losses available to offset future capital gains.

The Corporation, and the Fund, follows the asset and liability method of accounting for income taxes whereby future income tax assets and liabilities reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Future income tax assets and liabilities are measured based on the enacted or substantively enacted tax rates which are expected to be in effect when the underlying items of income or expense are expected to be realized.

Temporary differences between the carrying value of assets and liabilities for accounting and tax purposes give rise to future income tax assets and liabilities. Where the fair value of the portfolio investments exceeds their cost, a future tax liability arises. This future tax liability for refundable taxes payable is offset with the refund expected upon payment of capital gains dividends. Where the cost of the portfolio investments exceeds their fair value, a future tax asset is generated. A full valuation allowance is taken to offset this asset given the uncertainty that such future assets will ultimately be realized by the Fund.

6. COMMISSIONS AND OTHER PORTFOLIO TRANSACTION COSTS

The total broker commissions incurred by the Fund in connection with portfolio transactions for the periods, together with other transaction charges, is disclosed in the Statements of Operations. Brokerage business is allocated to brokers based on the best net result for the Fund. Subject to this criteria, commissions may be paid to brokerage firms which provide (or pay for) certain services, which may include investment research, analysis and reports, and data bases or software in support of these services (arrangements referred to as "soft dollars"). Where applicable and ascertainable, the value of third-party services that were paid for by brokers during the periods is disclosed in Note 10. The value of certain proprietary services provided by brokers cannot be reasonably estimated.

7. CONTINGENT LIABILITY

Agreements between the individual members of the Fund's IRC and the Manager, on behalf of the Fund, provides for the indemnification of each IRC member by the Fund from and against liabilities and costs in respect of any action or suit against the member by reason of being or having been a member of the IRC, provided that the member acted honestly and in good faith with a view to the best interest of the Fund, or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, that they had reasonable grounds for believing that his/her conduct was lawful. No claims with respect to such occurrences have been made and, as such, no amount has been recorded in these financial statements with respect to these indemnifications.

8. FINANCIAL INSTRUMENT RISK

The Fund's investment activities expose it to a variety of financial risks. The Statement of Investments presents the securities held by the Fund as at the end of the period.

(a) Liquidity risk

The Fund is exposed to daily cash redemptions of redeemable shares. In accordance with securities regulations, the Fund must maintain at least 90% of its assets in liquid investments (i.e. investments that are traded in an active market and can be readily sold). In addition, the Fund retains sufficient cash and short-term investments to maintain adequate liquidity. The Fund also has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions.

(b) Currency risk

Currency risk is the risk that financial instruments which are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates.

Note 10 indicates the foreign currencies, if applicable, to which the Fund had significant exposure, including the underlying principal amount of forward currency contracts in Canadian dollar terms. Other financial assets and liabilities (including dividends and interest receivable, and receivables/payables for securities sold/purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.

(c) Interest rate risk

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Cash and short-term investments and other money market instruments are short term in nature and are not generally subject to significant amounts of interest rate risk. Note 10 summarizes the Fund's exposure, if significant, to interest rate risk.

(d) Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Manager moderates this risk through a careful selection of securities and other financial instruments within the parameters of the investment strategy. Except for options written and futures contracts, the maximum risk resulting from financial instruments is equivalent to their fair value. The maximum risk of loss on options written and futures contracts is equal to their notional values. However, options written are used within the overall investment management process to manage the risk from the underlying securities and do not typically increase the overall risk of loss to the Fund. Note 10 summarizes the Fund's exposure, if significant, to other price risk.

(e) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. Note 10 summarizes the Fund's exposure, if significant, to credit risk arising from fixed-income securities such as bonds.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

The carrying amount of investments represents the maximum credit risk exposure. The carrying amount of other assets also represents the maximum credit risk exposure, as they will be settled in the short term.

The Fund may enter into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

9. FURTHER INFORMATION AVAILABLE

A copy of the Fund's current Simplified Prospectus, annual information form and/or Management Report of Fund Performance, will be provided, without charge, by writing to: Investors Group Financial Services Inc., 447 Portage Avenue, Winnipeg, Manitoba, R3C 3B6 or, in Quebec, 2001, rue University, Bureau 2000, Montreal, Quebec, H3A 2A6, or by calling toll-free 1-888-746-6344 (in Quebec 1-800-661-4578).

10. FUND SPECIFIC INFORMATION

(a) Fund and series information

| Series | Date operations commenced ¹ | Deferred sales charge (%) | Management fee (%) | Service fee (%) | Administration fee (%) | Net asset value per share (\$) | |
|----------|--|---------------------------|--------------------|-----------------|------------------------|--------------------------------|---------------------|
| | | | | | | as at March 31 2011 | as at March 31 2010 |
| Series A | July 12, 2010 | up to 5.50 | 2.15 | 0.30 | 0.23 | 11.30 | n/a |
| Series B | July 12, 2010 | - | 2.15 | 0.45 | 0.23 | 11.29 | n/a |

¹ If within the financial period ended March 31, 2011.

(b) Commissions

Included in the table below is the portion of commissions paid to certain brokers during the period which were available for the payment of third-party services.

| for the 12 months to | (\$ 000) |
|----------------------|----------|
| March 31, 2011 | - |

(c) Securities lending

| (\$ 000) | Value of securities loaned | Value of collateral received |
|----------------|----------------------------|------------------------------|
| March 31, 2011 | - | - |

(d) Financial instrument risk

(i) Risk management

The Manager seeks to minimize potential adverse effects of financial instrument risks on the Fund's performance by employing professional, experienced portfolio advisors, daily monitoring of the Fund's positions and market events, diversifying the investment portfolio within the constraints of the investment objective, and periodically may use derivatives to hedge certain risk exposures. To assist in managing risk, the Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations

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 indirect exposure to financial instrument risk is shown below.

(ii) Currency risk

As of March 31, 2011, had the Canadian dollar strengthened or weakened by 5% relative to all foreign currencies, all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$67,000 or 4.8% of total net assets. In practice, the actual trading results may differ and the difference could be material.

(iii) Interest rate risk

As of March 31, 2011, the Fund did not have a significant exposure to interest rate risk.

(iv) Other price risk

As of March 31, 2011, had the prices on the respective stock exchanges for the equity securities held by the Underlying Funds increased or decreased by 10%, all other variables held constant, net assets would have increased or decreased respectively, by approximately \$133,000 or 9.6% of total net assets. In practice, the actual trading results may differ and the difference could be material.

(v) Credit risk

As of March 31, 2011, the Fund did not have a significant exposure to credit risk.

(e) Fair value of financial instruments

The table below summarizes the fair value of the Fund's financial instruments using the following fair value hierarchy:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

| as at March 31, 2011 (\$ 000) | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------|---------|---------|---------|-------|
| Fixed income | - | - | - | - |
| Equities | 1,379 | - | - | 1,379 |
| Total investments | 1,379 | - | - | 1,379 |
| Short-term investments | - | - | - | - |
| Derivative assets | - | - | - | - |
| Derivative liabilities | - | - | - | - |
| Total | 1,379 | - | - | 1,379 |

In accordance with the Fund's valuation policy, the Fund applies fair value adjustment factors to the quoted market prices for non-North American equities when North American intraday stock market movements exceed predetermined tolerances. The adjustment factors are applied in order to estimate the impact on fair values of events occurring between the close of the non-North American stock markets and the close of business for the Fund. If fair value adjustment factors are applied, non-North American equities are classified as Level 2. Consequently, during the period, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As of March 31, 2011, these securities were classified as Level 1.

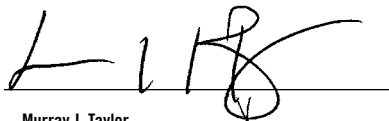
The accompanying financial statements have been prepared by I.G. Investment Management, Ltd., as Manager of the Fund. The Manager is responsible for the integrity, objectivity and reliability of the data presented. This responsibility includes selecting appropriate accounting principles and making judgments and estimates consistent with Canadian generally accepted accounting principles. The Manager is also responsible for the development of internal controls over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors (the "Board") of I.G. Investment Management, Ltd. is responsible for reviewing and approving the financial statements and overseeing the Manager's performance of its financial reporting responsibilities. The Board is assisted in discharging this responsibility by an Audit Committee, which reviews the financial statements and recommends them for approval by the Board. The Audit Committee also meets regularly with the Manager, the internal auditor and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues.

KPMG LLP are the external auditors of the Fund. They are appointed by the Board. The external auditors have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the shareholders their opinion on the financial statements. Their report is set out below.

On behalf of I.G. Investment Management, Ltd.,

Manager of the Fund



Murray J. Taylor
Chairman of the Board
and President

June 7, 2011



BJ Reid
Authorized Signing Officer and
Chief Financial Officer, Investors Group Mutual Funds

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF IG FI INTERNATIONAL EQUITY CLASS

We have audited the accompanying financial statements of the Fund, which comprise the Statements of Investments and Net Assets as at March 31, 2011, the Statements of Operations and Changes in Net Assets for the period then ended, as indicated in note 1, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the investments and net assets of the Fund as at March 31, 2011, and its results of operations and changes in net assets for the period then ended as indicated in note 1, in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
June 7, 2011
Winnipeg, Canada