



INVESTORS GROUP INC.

Investors Group is committed to comprehensive planning delivered through long-term client and Consultant relationships. We provide advice and services through a network of approximately 4,500 Consultants to nearly one million Canadians.



Murray J. Taylor
President and Chief Executive Officer
Investors Group Inc.

HIGHLIGHTS

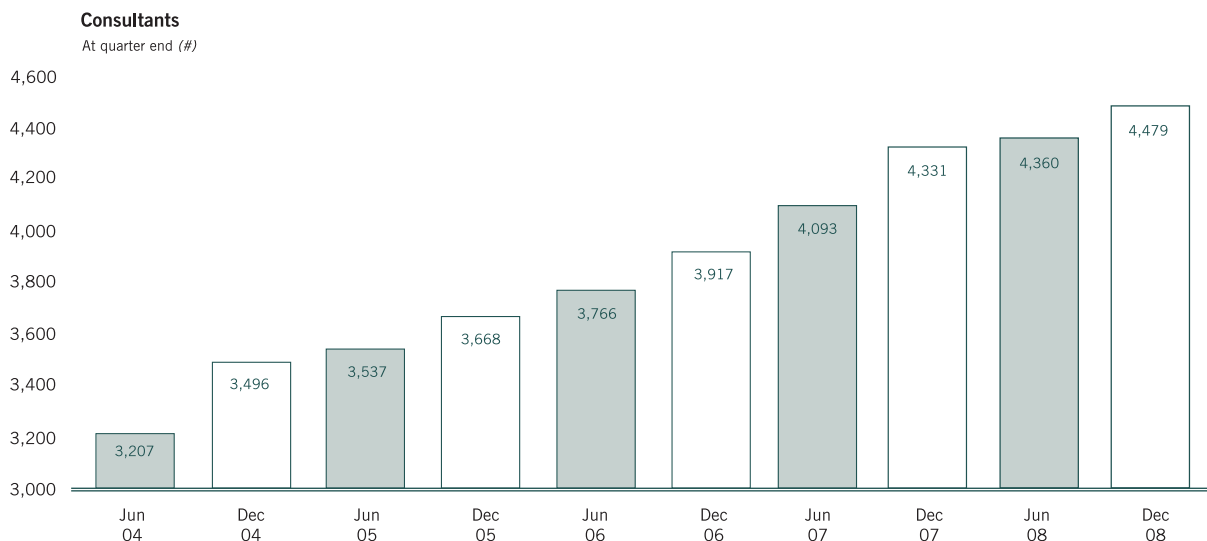
- Growth of the Consultant network continued steadily through the year increasing from 4,331 in 2007 to 4,479 Consultants at the end of 2008. During 2008, we announced seven new region offices leading to a total of 92 region offices serving small communities and large cities across Canada.
- Driven by the strength of our client relationships, the 12-month trailing redemption rate for Investors Group's long-term mutual funds was 7.9% for 2008, substantially below industry levels.
- Mutual fund gross sales, consistent with industry trends, decreased by 17.8% in 2008 to \$5.9 billion. Net sales of mutual funds were \$625 million, down from \$2.2 billion in 2007.
- Assets under management, based on lower market values, declined by 21.1% to \$47.5 billion at December 31, 2008.
- Insurance sales based on new annualized premiums grew by 23% in 2008 as our clients reviewed their many financial needs for the future.

REPORT ON OPERATIONS

In 2008, Investors Group continued to make progress in a number of key areas in the context of challenging economic concerns in the global financial markets. Growth in the Consultant network, combined with stable redemption rates, is strong evidence of client and Consultant satisfaction with the calm and steady approach being taken to their long-term financial planning needs.

CONTINUED CONSULTANT NETWORK STRENGTH

During 2008, we announced seven new region offices bringing our expansion since mid-2004 to 26 new region offices. We have now had 18 consecutive quarters of continuous growth since June 30, 2004. During 2003 and early 2004 we introduced many improvements to our training and support programs. Since then, the Consultant network has expanded by 40% from 3,207 to 4,479 at December 31, 2008.





The company's commitment to training and support is integral to our Consultants' ability to deliver effective financial advice in an increasingly complex and volatile market. New Consultants refined their skills through an emphasis on field-based training delivered by experienced field leadership and mentorship from successful senior Consultants. Investors Group's annual APEX conference offers advanced financial planning and practice management training to over 1,500 Consultants each year.

Our culture provides Consultants with an entrepreneurial environment and unique support structure to deliver personalized service and knowledgeable advice to our clients.

As the global economic crisis deepened through the year, we increased levels of communication from our Investment Management and Financial Services leaders to our Consultants, often communicating on a daily basis, so that they would be constantly informed on the various market reactions and important principles to keep in place for healthy long-term planning. Our Consultants, in turn, maintained a high degree of contact with our clients.

PRODUCTS FOR AN EVOLVING MARKETPLACE

The financial planning needs of Canadians are growing in complexity as our clients get older and there are more uncertain times on the economic horizon. Investors Group provides an industry-leading range of products and services to meet these diverse needs. We offer

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investment management, insurance, securities, mortgage products and other financial services to our clients through integrated financial planning.

In addition to our \$47.5 billion in mutual fund assets, we have helped our clients establish \$48.1 billion in insurance coverage in force and \$10.3 billion in *Solutions Banking*[†] and mortgage loan balances.

Our *Symphony Strategic Investment Planning*[™] supports Consultants in building optimized risk-adjusted portfolios for clients and provides enhanced reporting features.

In late 2006, the Investors Group Charitable Giving Program was introduced. One of the few of its kind in Canada, the program offers the opportunity for many Canadians to build an enduring charitable giving legacy while receiving tax benefits today.

Investors Group was one of the first mutual fund companies in Canada to offer the Tax-Free Savings Account (TFSA) to Canadians. In November, Consultants began to meet with clients to introduce the TFSA and

completed account set-up in advance of the January 1, 2009 introduction of the savings program. The TFSA is an important component of a comprehensive financial plan, offering a highly flexible, tax-efficient way to save for retirement or other financial goals.

Investors Group's commitment to the ongoing evolution and expansion of its product and service offering enhances our ability to deliver comprehensive financial planning.

BUILDING COMMUNITIES

In 2008, Investors Group continued to support the communities in which our employees, Consultants, and clients live and work. Consultants and employees have also donated their time and expertise to hundreds of charitable organizations. Our spirit of volunteerism has been strong and continues to be recognized throughout the country.

In June of 2008, Investors Group was proud to present the fifth annual Herbert H. Carnegie Community Service Award to Miles Schiller and the second biennial Herbert H. Carnegie Community Leadership Award to Michael Buhr. The awards are named after Order of Canada recipient and former Investors Group Consultant Herbert Carnegie, who in his 35 years with the company, came to epitomize the qualities of success and care for others in the community. Miles was honoured for his commitment to his community of Lloydminster where he led the

fundraising effort that brought the Common Wealth Centre to life and where he works tirelessly to support local health services initiatives. Michael was recognized for his decades-long volunteer work with the Heart and Stroke Foundation and the local Kinsmen Club, as well as for his leadership in supporting local sports programs and bringing major athletic events to his community of Selkirk, Manitoba.

Corporately, Investors Group has a long association with the United Way and its support of local campaigns in communities across Canada. We are also a major supporter of Imagine Canada and Volunteer Canada in encouraging charitable giving and volunteerism by Canadian companies.

Investors Group's long-standing commitment to corporate citizenship is rooted in the strong, enduring relationships we have developed with people in our communities.

BUILDING ON STRENGTH

Investors Group continues to focus on its strengths as building blocks for the future. In 2008, the Consultant network growth, the active engagement of over 1,500 employees, increased communication in response to the global financial situation, and the continual refinement of financial planning, product and service offerings demonstrate the company's commitment to meet the evolving financial needs of Canadians.