



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 4,600 Consultants to nearly one million Canadians.



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

HIGHLIGHTS

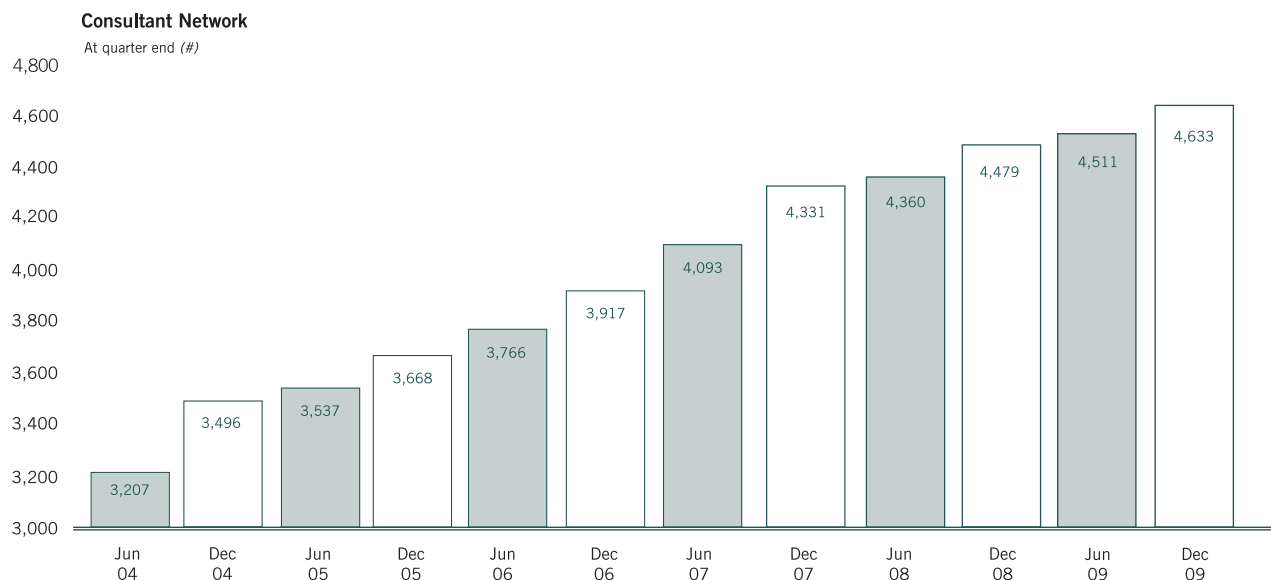
- Growth of the Consultant network continued through the year, increasing from 4,479 in 2008 to 4,633 Consultants at the end of 2009. With 22 continuous quarters of net growth since June 30, 2004, we have seen the longest period of consistent growth of the Consultant network in the history of Investors Group.
- Driven by the strength of our client relationships, the redemption rate for Investors Group's long-term mutual funds was 7.4% for 2009, substantially below industry levels.
- Mutual fund gross sales, consistent with industry trends, decreased by 15.2% in 2009 to \$5.0 billion. Net sales of mutual funds were \$404 million compared with \$625 million in 2008.
- Assets under management, based on higher market values, increased by 21.4% to \$57.7 billion at December 31, 2009.

REPORT ON OPERATIONS

In 2009, Investors Group continued to make progress in a number of key areas in the context of global financial markets hitting recent market lows followed by strong recovery in the second and third quarters of the year. 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 2009, we announced two new region offices bringing our expansion since mid-2004 to 28 new region offices, an increase of 42%. During 2003 and early 2004 we introduced many improvements to our training and support programs. Since then, the Consultant network has expanded by 44% from 3,207 to 4,633, our highest level in our history, at December 31, 2009.



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 refine their skills through an emphasis on experience-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 1,300 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.

PRODUCTS FOR AN EVOLVING MARKETPLACE

The financial planning needs of Canadians are growing as economic uncertainties are more apparent and retirement and lifestyle decisions become more complex. Investors Group provides an industry-leading range of products and services to meet these diverse needs. We offer investment management, insurance, securities, mortgage products and other financial services to our clients through integrated financial planning.

In addition to our \$57.7 billion in mutual fund assets, we have helped our clients establish \$52.2 billion in insurance coverage in force and \$10.8 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.

The Investors Group Charitable Giving Program is one of the few of its kind in Canada which can be used by our clients 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. 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.

In July 2009, Investors Group introduced two new families of funds. Investors Cornerstone Portfolios[™] include three different asset mixes of our Money Market Fund, Mortgage and Short Term Income Fund, and our Real Property Fund. Cornerstone Portfolios provide low volatile funds for short-term needs and for future investment in equity funds through dollar cost averaging. As well, we introduced Allegro Corporate Class Portfolios[™], tax-efficient portfolio funds within our Investors Group Corporate Class structure.

In November, working jointly with Great-West Life, we introduced a new line of Segregated Fund policies known as Guaranteed Investment Funds (GIFs). GIFs provide long-term investment growth potential with protective guarantee features to help minimize risk. On select GIFs, we also offer an optional guaranteed minimum withdrawal benefit, which we market as a Lifetime Income Benefit (LIB). The LIB creates the opportunity to combine an investment with guaranteed payments for life.

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 2009, 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 2009, Investors Group was pleased to present the sixth annual Herbert H. Carnegie Community Service Award to Bruce Morrison. The award is 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. Bruce was honoured for his many commitments to his community of Nelson, British Columbia, where he led the establishment of a local endowment fund, the Osprey Community Foundation, and assisted the Nelson Committee on Homelessness in addressing the needs of homeless individuals in the area. He has also sat on the boards of various non-profit organizations and has just begun a three-year term on the Selkirk College Board of Governors.

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.

In December at the Canadian Investment Awards (CIA), Investors Group was awarded the CIA Corporate Citizenship Award recognizing our outstanding contribution to community and overall reputation as a responsible corporate citizen. 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 2009, the Consultant network growth, the active engagement of over 1,500 employees, increased communication in response to the global financial situation, the continual refinement of financial planning, and the expanding product and service offerings demonstrate the company's commitment to meet the evolving financial needs of Canadians.