



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

2004 has been an exciting year for Investors Group, as it began to realize the rewards of the successful execution of many key initiatives undertaken in 2003 and 2004. Passion for helping people is combined with expertise and knowledge in delivering sound financial advice and effective products and services. The company's commitment to clients is evidenced by a focus on building enduring relationships.

**ENDURING PARTNERSHIPS –  
 STRATEGIES FOR THE LONG TERM**

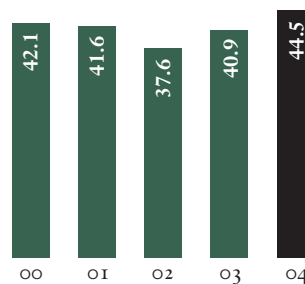
Recognizing that this is a long-term business, Investors Group has successfully implemented strategies that will ensure Consultants and clients have the right support, the right tools and the right products to support sound financial planning for the long term.

There was significant improvement in Consultant retention in 2004. Work in strengthening the competitiveness of Consultant and field management compensation, recognition and support programs has been successful, as evidenced by growth in the Consultant network to 3,496 professionals. Consultants are supported by industry-leading training programs, a broad range of products and services, and effective technology tools, enabling them to provide high quality, comprehensive advice to clients.

Last year's introduction of Symphony Strategic Investment Planning™ program has been very well received by both Consultants and clients. The Symphony planning approach supports Consultants in building optimized risk-adjusted portfolios, and provides enhanced reporting features. Alto™ and Allegro™ Portfolios, built exclusively using Symphony, had net inflows of \$607 million. The Symphony Strategic Investment Planning™ program and the Alto™ and Allegro™ Portfolios represent important improvements to Investors Group's planning model, and underscore its commitment to providing clients with advanced financial planning products and services.

**CONSULTANT MUTUAL FUND  
 ASSETS UNDER MANAGEMENT**

*As at December 31 (\$ billions)*



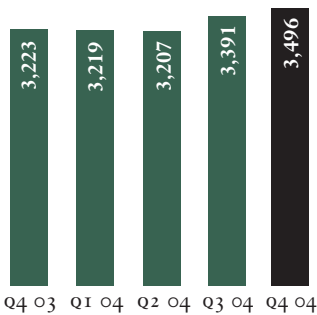
Improved Consultant retention and a decrease in redemptions is evidence of the increased confidence of Consultants, a focus on long-term financial planning and the enduring partnerships between the company's Consultants and clients.

Supporting Investors Group's commitment to comprehensive financial planning is the use of banking, insurance and related products to complement its mutual fund offering. Solutions Banking<sup>†</sup>, a private label banking solution offered in association with National

Bank, has been widely successful, with over 75% of Consultants now offering banking products to their clients. The mortgage operation had \$848 million in mortgage originations during the year and enhanced its product offering with the introduction of two new variable rate mortgage products. Investors Group continues to be a leading distributor of life insurance in Canada, with a comprehensive range of insurance products and sales of \$30.1 million in new annualized premiums. Investors Group Securities Inc. aided Consultants in gathering external assets of \$1.12 billion in 2004, increasing assets under administration by 15.9% during the year.

**CONSULTANTS**

(#)



**COMMITMENT TO BUSINESS STANDARDS**

In 2004, the company worked with regulators to resolve concerns regarding market timing in the Canadian mutual fund industry.

A settlement agreement was reached to provide compensation to unitholders affected by market timing activities by a client in a number of the company's international mutual funds.

The company will continue to promote, with regulators and industry members, the application of clear and consistent standards for the benefit of clients.

Looking ahead to 2005, Investors Group remains focused on providing Canadians with expert financial planning advice and high quality products and services. The company's commitment to building enduring relationships is strong, as it continues to support partnerships with Consultants, long-term relationships with clients, and service to communities.

**ENDURING PARTNERSHIPS –  
COMMITMENT TO COMMUNITY**

In 2004, Investors Group continued its unwavering support of the communities in which its employees, Consultants and clients live and work. Consultants and employees again have given tirelessly of their time and expertise, supporting countless local charitable organizations. Corporately, Investors Group supports United Way through contributions to local campaigns across Canada, and is also a major partner with Volunteer Canada, encouraging volunteerism throughout the country. This spirit of joining together to respond to the needs of others was also evident following the tragic tsunami disaster in Asia on December 26. Within days of the devastation, employees and Consultants across the country drew on Investors Group's matching gift program to support relief efforts in the region.

This year, the company formed a partnership with the Canadian Association of Food Banks and created *Food for Thought*, a national campaign of local initiatives to raise awareness about hunger issues.

Also in 2004, Investors Group was proud to present for the first time the prestigious Herbert H. Carnegie Community Service Award. The award was presented to Ross Elliott, a Consultant from Halifax, for his

extensive community service at home and abroad, including a humanitarian mission to Uzbekistan and a local program to provide hockey equipment to underprivileged children.

Investors Group is committed to corporate citizenship and building strong, enduring partnerships within our communities. This commitment is a natural extension of the company, and is both a responsibility and privilege.

**ENDURING PARTNERSHIPS –  
FOR THE LONG TERM**

Looking ahead to 2005, Investors Group remains focused on providing Canadians with expert financial planning advice and high quality products and services. The company's commitment to building enduring relationships is strong, as it continues to support partnerships with Consultants, long-term relationships with clients, and service to communities. The company looks forward to business growth in a manner that supports these commitments, building on the strengths of its unique heritage and culture.