



INVESTORS GROUP INC.

Investors Group is committed to comprehensive financial planning delivered through long-term client and Consultant relationships. We provide financial planning advice and services through a network of over 4,300 Consultants to nearly one million Canadians.

HIGHLIGHTS

- Growth of the Consultant network remains strong, increasing from 3,917 at the end of the previous year to 4,331 Consultants in 2007.
- Mutual fund gross sales increased by 16.8% in 2007 to \$7.2 billion. Net sales of mutual funds were \$2.2 billion, up 60.4% from 2006.
- Driven by the strength of our client relationships, the 12-month trailing redemption rate for Investors Group's long-term mutual funds has declined to 7.3% for 2007, our lowest level on record.
- Assets under management grew by 3.4% to \$60.2 billion at December 31, 2007.

REPORT ON OPERATIONS

In 2007, Investors Group continued to make progress in a number of key areas. Growth in the Consultant network, combined with a further decline in our redemption rates, is evidence of client and Consultant satisfaction with the service and products that are provided to meet their financial planning needs.

CONTINUED CONSULTANT NETWORK STRENGTH

During 2007, we added seven new region offices bringing our expansion over the last three years to 19 new region offices. Fourteen consecutive quarters of continuous growth since mid-2004 is to some degree the result of improvements to our training and support programs, which occurred in 2003 and 2004. Since June 30, 2004, the Consultant network has expanded by 35% from 3,207 to 4,331 at December 31, 2007.

The company's commitment to training and support is integral to our Consultants' ability to deliver effective financial advice in an increasingly complex 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 1,300 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.



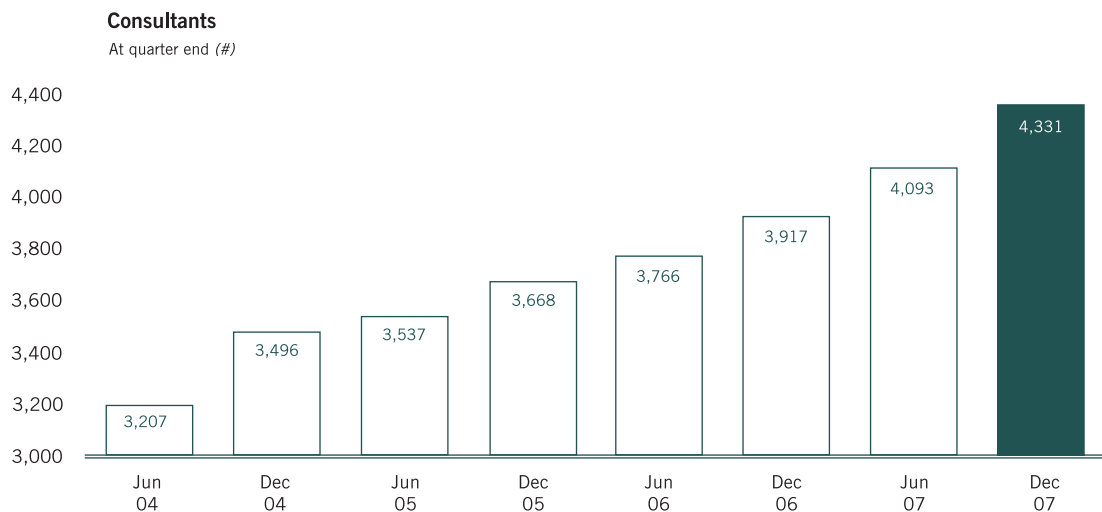
Murray J. Taylor
 President and Chief Executive Officer
 Investors Group Inc.

PRODUCTS FOR AN EVOLVING MARKETPLACE

The financial planning needs of Canadians are growing in complexity. 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 \$60.2 billion in mutual fund assets, we have helped our clients establish \$43.7 billion in insurance coverage in force and \$7.4 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.



We apply our experience and expertise in product development and investment management to bring timely and innovative funds to Canadian investors.

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.

We apply our experience and expertise in product development and investment management to bring timely and innovative funds to Canadian investors. Fund launches this year focused on the growing capital and cash flow requirements of an aging population, the importance of global investing to diversify investments, and our continued support for socially responsible investing.

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

BUILDING COMMUNITIES

In 2007, Investors Group expanded its support of the communities in which our employees, Consultants, and clients live and work. Consultants and employees continued to donate their time and expertise to hundreds of charitable organizations.

The spirit of volunteerism has been strong and continues to be recognized throughout the country. During 2007, employees worked together through several initiatives including our leadership of Winnipeg's efforts to donate the most amount of food to a local food bank in a 24-hour period. On October 20 and 21, Winnipeg surpassed the existing Guinness World Record by raising 176 tons to help feed those in need.

In 2007, Investors Group was proud to present the fourth annual Herbert H. Carnegie Community Service Award to Reine L'Écuyer-Hébert. This 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. This year's honouree was Reine, an Executive Consultant with the Sherbrooke Quebec region office. Reine has committed countless hours to improving the lives of children in need through her hands-on work with organizations providing nutritional support and recreational programming for children and their families.

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 addition, Investors Group supports the Canadian Association of Food Banks through *Food for Thought*, a national campaign of local initiatives to raise awareness about hunger-related issues.

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BUILDING ON STRENGTH

Investors Group continues to focus on its strengths as building blocks for the future. In 2007, the Consultant network growth, the active engagement of our 1,600 employees, and the continual refinement of financial planning, product and service offerings demonstrate the company's commitment to meet the evolving financial needs of Canadians.