



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 4,700 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 4,633 in 2009 to 4,686 Consultants at the end of 2010. We have seen continuous quarterly growth since June 30, 2004.
- The expansion of the region office network continued in 2010 with the addition of six new offices, bringing the total number of offices to 101. This represents growth of 51% since 2004.
- Driven by the strength of our client relationships, the redemption rate for Investors Group's long-term mutual funds was 8.3% for 2010, substantially below industry levels.
- Mutual fund sales, consistent with industry trends, increased by 14% in 2010 to \$5.7 billion. Net sales of mutual funds were \$253 million compared with \$404 million in 2009.
- Assets under management increased by 7.2% to \$61.8 billion at December 31, 2010.

REPORT ON OPERATIONS

In 2010, Investors Group continued to make progress in a number of key areas. Growth in the Consultant network, combined with industry-low 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 2010, we announced six new region offices bringing our total to 101 region offices across Canada. During 2003 and early 2004 we introduced many improvements to our training and support programs. Since then, the Consultant network has expanded by 46% from 3,207 to 4,686, our highest level in our history, at December 31, 2010.

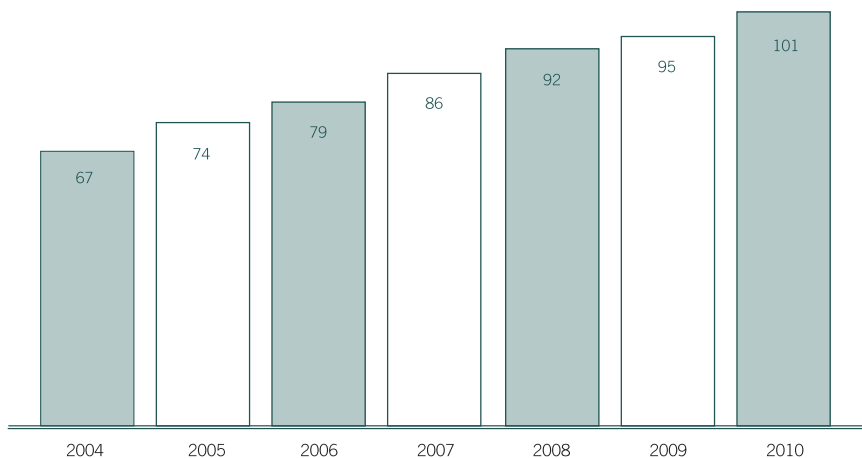
The company's commitment to training and support is integral to our Consultants' ability to deliver effective financial advice in an increasingly complex and volatile market. New Consultants refine their skills through an emphasis on experience-based

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 1,200 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. Our clients enhance their financial literacy and gain financial confidence as our Consultants assist them with the development and deployment of their financial plans.

Region Office Growth

At year-end (#)



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 funds, insurance, securities, mortgage and Solutions Banking[†] products, along with other financial services to our clients through integrated financial planning.

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.

- In November 2009, working jointly with Great-West Life, Investors Group introduced a new line of Segregated Fund policies known as Investors Group Guaranteed Investment Funds (GIFs) which provide long-term investment growth potential with protective guarantee features. On select GIFs, we also offer an optional guaranteed minimum withdrawal benefit, which we market as a Lifetime Income Benefit (LIB). Sales of these new segregated funds grew steadily in 2010. Assets in our total segregated funds grew from \$567 million at December 31, 2009 to \$880 million at December 31, 2010, an increase of 55.3%.

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

- In July 2010, we began offering two new equity mandates sub-advised by Fidelity Investments Canada ULC, through its affiliate Pyramis Global Advisors, LLC. These equity mandates, known as IG FI U.S. Large Cap Equity Fund and Class and IG FI International Equity Fund and Class, provide opportunities for long-term capital appreciation and opportunities for our clients to benefit from the vast investment potential that exists outside Canada.
- In December 2010, we announced our new fixed income mandate – Investors Fixed Income Flex Portfolio. This mandate is to provide current income by investing in a diversified set of underlying funds that invest primarily in fixed income securities. Also, this mandate has the flexibility to adapt to a changing environment by adjusting the underlying type of investments as the interest rate and credit environment evolves. Investors Fixed Income Flex Portfolio is expected to be available for sale early in 2011.

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BUILDING COMMUNITIES

In 2010, 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.

During the year, Investors Group was pleased to present the seventh annual Herbert H. Carnegie Community Service Award to Executive Financial Consultant Dennis Hunt and the third biennial Herbert H. Carnegie Community Leadership Award to Regional Director Chuck Ealey. 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 caring for others in the community.

Dennis was honoured for his many commitments to his community of Brandon, Manitoba, where he is the driving force behind the Assiniboine College Foundation, which is spearheading a multi-phase, multi-million dollar project that includes a culinary arts and hospitality facility, a centre for trades and technology and enhancements to the college's business department.

Chuck was recognized for his lifetime contributions to empower young people through Carnegie's Future Aces program and through his own Chuck

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Ealey Foundation which reinforces the importance of education and helping kids realize their goals in Ontario and Ohio schools.

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.

BUILDING ON STRENGTH

Investors Group continues to focus on its strengths as building blocks for the future. In 2010, the Consultant network growth, the active engagement of over 1,600 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.