
IG Beutel Goodman Canadian Small Cap Fund

Interim Management Report of Fund Performance

For the six-month period ended September 30, 2009

This interim Management Report of Fund Performance contains financial highlights, but does not contain the complete interim or annual financial statements of the investment fund. If the interim financial statements of your investment fund did not accompany the mailing of this report, you may receive a copy of them or the annual financial statements, or annual Management Report of Fund Performance, at your request, and at no cost, by calling 1-888-746-6344 (1-800-661-4578 if you live in Quebec) or by writing to us at 447 Portage Avenue, Winnipeg, Manitoba, R3C 3B6 (2001 University Street, Suite 2000, Montreal, Quebec, H3A 2A6 if you live in Quebec), or by visiting our website at www.investorsgroup.com or SEDAR at www.sedar.com.

Securityholders may also use one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Every effort has been made to ensure that the information contained in this Report is accurate as of September 30, 2009 (October 23, 2009 for the discussion under Recent Developments), however, the Fund cannot guarantee the accuracy or the completeness of this material. Please refer to the Fund's Prospectus and audited annual financial statements for more information.

For current net asset values per unit for the Fund and for more recent information on general market events, please visit our website at www.investorsgroup.com.

Caution regarding forward-looking statements

This report may contain forward-looking statements about the Fund, including its strategy, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or negative versions thereof and similar expressions.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

We stress that the above mentioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.

Management Discussion of Fund Performance

This management discussion of Fund performance presents views of the portfolio management team about the significant factors and developments during the past six months that have affected the Fund's performance and outlook since March 31, 2009, the Fund's most recent fiscal year-end. This report should be read in conjunction with the annual Management Report of Fund Performance for the year ended March 31, 2009.

The commentary in this section is general information about the Fund's recent performance. For more information on the Fund's longer-term performance, please refer to the section under Past Performance later in this report.

Please read the caution regarding forward-looking statements located on the first page of this document.

Results of Operations (based on information as of September 30, 2009)

The Fund's net assets increased by 35.3% during the period to \$235.7 million. This change was comprised primarily of gains of \$69.9 million from investment operations and a decrease of \$8.4 million due to net redemptions of the Fund's securities. Average net assets of the Fund for the period were \$202.2 million (2008 – \$265.2 million), a decrease of 23.7% compared to the six-month period ended September 30, 2008. Average net assets influence revenue earned and expenses incurred by the Fund during the period. The Fund's performance is discussed below.

In order to maintain the Fund at a manageable size, effective April 1, 2002, the Fund has been available only for the reinvestment of distributions and investments through pre-authorized investment plans by current unitholders.

Canadian small-capitalization stocks rallied strongly over the last six months resulting in the Fund posting a significant double-digit return, outperforming its benchmark, the S&P/TSX Composite Index over the six months ending September 30, 2009.

Continued strong stock selection within the materials sector drove the Fund's performance over the period. The portfolio management team's holdings in base metals and gold contributed positively as did stock selection in the consumer discretionary sector. The Fund's overweight position in financials also added value to performance, although stock selection in this sector detracted from the Fund's return.

Recent Developments (based on information as of October 23, 2009)

Global equities responded to data showing early signs of economic recovery. This response had a positive influence on Fund returns.

While positive in the near term, the portfolio management team is cautious in the long run. While industrial and consumer demand are on the mend in many countries, it is not yet possible to determine just how healthy economies would be without the massive support being provided by governments. The portfolio management team suspects underlying fundamentals are and will remain fragile for some time, given the massive amount of debt reduction still to go.

Earlier this year the Fund was able to add a good number of quality holdings at attractive prices. The intention is to continue to sell down positions as they hit their target prices and redeploy proceeds into new opportunities, the availability of which remains healthy despite the market's strong run.

The Fund has maintained its pro-cyclical stance but it is expected this may begin to shift towards more defensive areas should the run in resource and economically sensitive stocks continue.

Related Party Transactions

I.G. Investment Management, Ltd. is the Manager, Trustee and Portfolio Advisor of the Fund. The Fund is offered through the Consultants of Investors Group Financial Services Inc. and Investors Group Securities Inc., together referred to as the Distributors. The Manager, Portfolio Advisor, Distributors and Trustee are, indirectly, wholly owned subsidiaries of IGM Financial Inc.

The following sub-advisor has been retained to provide investment services to the Fund:

- Beutel, Goodman & Company Ltd.

The Fund paid 2.25% (per annum) of its net assets to the Manager and Portfolio Advisor, in aggregate, for management and portfolio advisory services (see Management Fees).

The Fund paid the Manager an administration fee, including applicable implementation period adjustments, equal to 0.19% annually of its net assets. In exchange for the administration fee, the Manager pays the operating costs and expenses of the Fund, except for certain specified Fund costs.

The Fund paid the Distributors a service fee as compensation for providing or arranging for the provision of services to the Fund, including the issue or allotment of units. The Fund paid the Distributors 0.50% annually of the net assets. A portion of the service fee is rebated by the Distributors to the Fund quarterly as outlined in the Prospectus. This rebate is paid as

a return of capital distribution to eligible unitholders and is reinvested in additional units.

The Trustee is responsible for the overall direction and management of the affairs of the Fund. The Trustee is paid an annual fee of 0.05% of the average net assets of the Fund for its services.

Total payments by the Fund (excluding GST) to the Manager and parties related to the Manager for the six-month period ended September 30, 2009 were:

	\$000's
Management fee	2,281
Administration fee	203
Distributor service fee (net of rebates)	78
Trustee fee	51
	2,613

Financial Highlights

The following tables show selected key financial information about the Fund and its financial performance for the six-month period ended September 30, 2009 and for up to the past five years.

Footnotes are presented after Ratios and Supplemental Data.

Net Assets per Unit¹

(in \$)	6 mo Sep. 30 2009	6 mo Mar. 31 2009	12 mo Sep. 30 2008	12 mo Sep. 30 2007	12 mo Sep. 30 2006	12 mo Sep. 30 2005
Net assets, beginning of period²	13.67	17.32	24.32	23.22	22.69	21.68
Increase (decrease) from operations:						
Total revenue	0.17	0.16	0.47	0.50	0.41	0.31
Total expenses	(0.22)	(0.18)	(0.57)	(0.66)	(0.63)	(0.61)
Realized gains (losses) for the period	0.23	(0.31)	1.65	3.24	4.16	1.96
Unrealized gains (losses) for the period	5.45	(2.20)	(5.88)	0.24	(2.07)	1.64
Total increase (decrease) from operations³	5.63	(2.53)	(4.33)	3.32	1.87	3.30
Distributions:						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	-	(0.12)	(0.22)	(0.18)	(0.13)	(0.13)
From capital gains	-	(0.95)	(2.33)	(1.89)	(1.14)	(2.09)
Return of capital	-	-	-	-	-	-
Total annual distributions⁴	-	(1.07)	(2.55)	(2.07)	(1.27)	(2.22)
Net assets at period end	19.26	13.67	17.32	24.32	23.22	22.69

Ratios and Supplemental Data

	6 mo Sep. 30 2009	6 mo Mar. 31 2009	12 mo Sep. 30 2008	12 mo Sep. 30 2007	12 mo Sep. 30 2006	12 mo Sep. 30 2005
Total net asset value (pricing NAV) ⁵ (\$000's)	236,971	175,639	219,257	299,089	288,884	300,596
Number of units outstanding (000's)	12,240	12,741	12,579	12,260	12,443	13,249
Management expense ratio ⁶ (%)	3.11	3.12	3.10	3.14	3.15	3.19
Management expense ratio before waivers or absorptions (%)	3.11	3.12	3.10	3.14	3.15	3.19
Trading expense ratio ⁶ (%)	0.12	0.17	0.23	0.10	0.11	0.10
Portfolio turnover rate ⁷ (%)	13.46	8.41	39.99	24.94	24.54	21.79
Net asset value per unit (pricing NAV) ⁵ (\$)	19.36	13.79	17.43	24.40	23.22	22.69

¹ These calculations are prescribed by securities regulations and are not intended to be a reconciliation between opening and closing net assets per unit. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. Effective after the close of business on September 30, 2008, the financial year-end of the Fund changed from September 30 to March 31. The Fund's year-end for tax reporting purposes is unaffected by this change.

² The net assets per security presented in the financial statements may differ from the net asset value calculated for Fund pricing purposes. This difference is due to the requirements of generally accepted accounting principles ("GAAP"), including CICA Handbook Section 3855, and may result in a different valuation of securities held by the Fund in accordance with GAAP than the market value used to determine net asset value of the Fund for the purchase and redemption of the Fund's units ("pricing NAV"). The impact of the adoption of this accounting policy for valuation of securities on the net assets per unit determined in accordance with GAAP as of October 1, 2006 was (0.04). The pricing NAV per unit at the end of the period is disclosed in Ratios and Supplemental Data.

³ Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. In the period a Fund is established, the financial information is provided from the date of inception to the end of the period.

⁴ Distributions were paid in cash, reinvested in additional units of the Fund, or both.

⁵ Management expense ratio (MER) is based on total expenses, excluding commissions and other portfolio transaction costs, for the stated period and is expressed as an annualized percentage of daily average net assets during the period, except as noted. In the period a Fund is established, the management expense ratio is annualized from the date of inception to the end of the period.

The service fees are divided by the assets on the days on which the fee is charged. The MERs presented for the Fund represent the maximum MER applicable to any account because service fee rebates have not been offset against service fees. Eligible clients in the Fund are entitled to a rebate of service fees based on their asset levels held in the Fund and in other Investors Group mutual funds as outlined in the Fund's Prospectus. The rebate is distributed as a return of capital distribution to eligible unitholders and is required to be reinvested in additional Fund units at the net asset value per unit on the distribution date. Clients may receive a rebate in an amount of up to all of the service fees paid in the Fund based on their asset levels held in their Fund(s). The annualized MER's for the six-month period ended September 30, 2009 are: Min. MER: 2.61%; Weighted Average MER: 2.73%; Max. MER: 3.11%.

Certain expenses that are non-recurring and/or otherwise uncertain as to their future timing and amount have not been annualized.

⁶ The trading expense ratio represents total commissions and other portfolio transaction costs incurred as an annualized percentage of daily average net assets during the period.

⁷ The Fund's portfolio turnover rate indicates how actively the Fund's Portfolio Advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a Fund. Costs incurred to realign the Fund's portfolio after a fund merger, if any, are excluded from the portfolio turnover rate.

Management Fees

The Fund pays Investors Group a management fee. The management fee paid is calculated as a percentage of the net asset value of the Fund, as of the close of business on each business day. Management fees were used in part to pay costs incurred in providing investment advisory and management services, and distribution-related services including the cost of financial planning services, consultant commissions and bonuses, marketing and other Fund promotional activities and educational conferences.

For the six-month period ended September 30, 2009, on average approximately 54% of the total management fee revenues received from all Investors Group Funds was attributable to investment advisory and management services. The balance of these fees was used to fund the payment of distribution-related services.

For this Fund, investment advisory and management services represented approximately 66%, and distribution-related services represented approximately 34%, of the management fees paid for the six-month period ended September 30, 2009.

Past Performance

It is important to remember that past performance doesn't necessarily indicate future performance. The returns presented below:

- assume that all distributions, except for service fee rebates, are reinvested into the Fund;
- do not include sales charges, income taxes, or optional expenses that reduce returns;
- show performance based on Canadian dollar returns; and
- show performance for the six-month period ended September 30, 2009 and for each of the past 10 financial years, or since the series started.

Financial years are as follows:

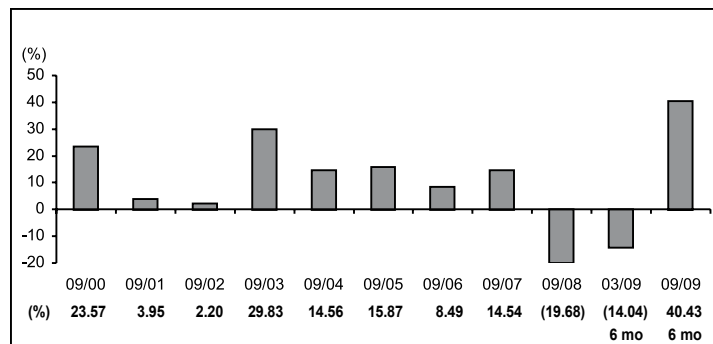
- 2000 to 2008 – up to 12 months ended September 30
- 2009 – six months ended March 31

Performance during these periods may have been impacted by the following events:

- In October 2007, the Fund began to pay an administration fee. In exchange, the Manager began to pay certain operating costs and expenses that had been paid by the Fund.

Year-by-Year Returns

This bar chart shows how much an investment in units made on the first day of each financial year would have increased or decreased by the end of the respective period. For the first year of a Fund, the percentage shown will be the actual return of the Fund from its inception date. The chart illustrates how the Fund's performance has changed over time.



Purchase Option Information

	Purchase Options Available DSC ¹	Deferred Sales Charges NL ²	Service Fee	Administration Fee ³
IG Beutel Goodman Canadian Small Cap Fund	✓	✓	up to 0.50% ⁴	0.19%

¹ Deferred Sales Charge (DSC) investments have a redemption fee when sold that declines to 0% after 7 years. See the Fund's Prospectus for additional information.

² No Load (NL) investments do not have a DSC when sold. Other fees may apply. See the Fund's Prospectus for additional information.

³ Includes applicable implementation period adjustment as outlined in the Prospectus.

⁴ Eligible clients are entitled to a rebate of the service fee based on their asset levels held in the Fund and in other Investors Group mutual funds as outlined in the Fund's Prospectus.

Summary of Investment Portfolio

at September 30, 2009

The largest holdings of the Fund (up to 25) at the end of the period, and the major asset classes in which the Fund was invested, are indicated below. The Fund held no short positions at the end of the period. This summary of investment portfolio may change due to ongoing portfolio transactions. An update of the Fund's summary of investment portfolio as at the end of the next quarter will be available. Please see the front page for information about how it can be obtained.

Summary of Top 25 Holdings

	% of net asset value
Intact Financial Corp.	5.7
Industrial Alliance Insurance and Financial Services Inc.	5.6
Minefinders Corp. Ltd.	5.4
Progress Energy Resources Corp.	5.2
Allied Nevada Gold Corp.	4.6
HudBay Minerals Inc.	4.3
Uni-Select Inc.	4.1
Linamar Corp.	4.0
Tristar Oil & Gas Ltd.	3.8
Quebecor Inc. Class B Sub. voting	3.8
New Gold Inc.	3.4
Consolidated Thompson Iron Mines Ltd.	3.4
Ensign Energy Services Inc.	2.9
CCL Industries Inc. Class B non-voting	2.9
Celtic Exploration Ltd.	2.8
Equitable Group Inc.	2.6
Aurizon Mines Ltd.	2.5
Fairborne Energy Ltd.	2.4
Genworth MI Canada Inc.	2.4
WestJet Airlines Ltd.	2.3
AltaGas Income Trust	2.3
Winpak Ltd.	2.2
Pacific Rubiales Energy Corp.	2.1
Paramount Resources Ltd. Class A	2.0
Dorel Industries Inc. Class B Sub. voting	1.7
	84.4

Summary of Composition of the Portfolio

	% of net asset value
BY ASSET TYPE	
Equities	99.4
Cash and cash equivalents	0.5
Other net assets (liabilities)	0.1
Total	100.0
BY COUNTRY	
Canada	94.8
United States	4.6
	99.4
BY SECTOR	
Materials	31.2
Energy	27.8
Financials	19.1
Consumer Discretionary	15.9
Industrials	3.7
Information Technology	1.3
Health Care	0.4
	99.4

Sales commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the Prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions (except for service fee rebates) and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any investor that would have reduced returns. Mutual funds are not guaranteed. Their value changes frequently and past performance may not be repeated.