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# IG AGF Global Equity Fund

## **Annual Financial Statements**

FOR THE PERIOD ENDED MARCH 31, 2010

# IG AGF Global Equity Fund

ANNUAL FINANCIAL STATEMENTS

MARCH 31, 2010

## STATEMENTS OF NET ASSETS

as at (in \$ 000 except per unit amounts)

	Mar. 31 2010	Mar. 31 2009	Sep. 30 2008
<b>Assets:</b>			
Investments	81,102	73,195	92,523
Cash and cash equivalents	-	2,045	2,936
Accrued interest and dividends receivable	274	376	177
Taxes recoverable (payable)	47	44	47
Accounts receivable for securities sold	-	-	-
Due from brokers	208	-	-
Due from manager	-	-	1
Due from other funds	-	-	-
Net margin on futures contracts	-	-	-
Unrealized gains on forward contracts and other derivatives	-	-	-
Other assets	-	-	-
	529	2,465	3,161
<b>Total assets</b>	<b>81,631</b>	<b>75,660</b>	<b>95,684</b>
<b>Liabilities:</b>			
Bank overdraft	136	-	-
Due to brokers	-	-	-
Accounts payable for securities redeemed	-	5	4
Accrued expenses	2	1	1
Due to other funds	-	-	-
Liability for options written	-	-	-
Unrealized losses on forward contracts and other derivatives	-	-	-
Other liabilities	1	-	-
<b>Total liabilities</b>	<b>139</b>	<b>6</b>	<b>5</b>
<b>Net assets</b>	<b>81,492</b>	<b>75,654</b>	<b>95,679</b>
<b>Net assets per series, end of period</b>			
Series A	13,232	10,954	12,403
Series B	547	382	364
Series C	67,713	64,318	82,912
<b>Net assets per unit, end of period</b>			
Series A	9.69	8.06	9.68
Series B	9.59	8.00	9.60
Series C	9.57	7.98	9.58

## STATEMENTS OF OPERATIONS

for the periods (in \$ 000 except per unit amounts)

	12 months Mar. 31 2010	6 months Mar. 31 2009	12 months Sep. 30 2008
<b>Income:</b>			
Dividends	2,187	1,272	4,856
Trust income	-	-	5
Interest and other income	1	9	26
Income (loss) from derivatives	-	-	-
Securities lending	47	5	74
Foreign withholding taxes	(243)	(147)	(538)
	1,992	1,139	4,423
<b>Expenses:</b>			
Management fees	1,875	888	2,665
Management fee rebates	-	-	-
Service fees	389	192	575
Service fee rebates	(250)	(121)	(405)
Administration fees	171	89	217
Trustee fees	42	19	59
Goods and services tax	104	50	155
Independent Review Committee costs	1	-	1
Other	2	2	20
	2,334	1,119	3,287
<b>Net income (loss)</b>	<b>(342)</b>	<b>20</b>	<b>1,136</b>
Realized gain (loss)	(2,593)	(5,387)	10,591
Unrealized gain (loss)	18,092	(10,509)	(37,517)
Commissions and other portfolio transaction costs	(67)	(45)	(107)
<b>Net realized and unrealized gain (loss)</b>			
<b>from investments and foreign exchange</b>	<b>15,432</b>	<b>(15,941)</b>	<b>(27,033)</b>
<b>Net increase (decrease) in net assets</b>			
<b>from operations</b>	<b>15,090</b>	<b>(15,921)</b>	<b>(25,897)</b>
<b>Net increase (decrease) in net assets</b>			
<b>from operations per series</b>			
Series A	2,215	(2,113)	(3,128)
Series B	77	(69)	(98)
Series C	12,798	(13,739)	(22,671)
<b>Net increase (decrease) in net assets</b>			
<b>from operations per unit</b>			
Series A	1.63	(1.62)	(2.56)
Series B	1.59	(1.60)	(2.56)
Series C	1.62	(1.59)	(2.52)

# IG AGF Global Equity Fund

ANNUAL FINANCIAL STATEMENTS

MARCH 31, 2010

## STATEMENTS OF CHANGES IN NET ASSETS

for the periods (in \$ 000 except when stated)

	12 months Mar. 31 2010	6 months Mar. 31 2009	12 months Sep. 30 2008
<b>Series A</b>			
<b>Net assets, beginning of period</b>	10,954	12,403	13,170
Increase (decrease) in net assets resulting from:			
<b>Operations</b>	2,215	(2,113)	(3,128)
<b>Distributions:</b>			
Income	-	-	-
Capital gains	-	-	-
Management fee rebates	-	-	-
<b>Total distributions</b>	-	-	-
<b>Unit transactions:</b>			
Proceeds from sale of units	2,102	1,757	3,740
Reinvested from distributions	-	-	-
Payment on redemption of units	(2,039)	(1,093)	(1,379)
<b>Total unit transactions</b>	63	664	2,361
<b>Increase (decrease) in net assets</b>	2,278	(1,449)	(767)
<b>Net assets, end of period</b>	13,232	10,954	12,403
<b>Series B</b>			
<b>Net assets, beginning of period</b>	382	364	548
Increase (decrease) in net assets resulting from:			
<b>Operations</b>	77	(69)	(98)
<b>Distributions:</b>			
Income	-	-	-
Capital gains	-	-	-
Management fee rebates	-	-	-
<b>Total distributions</b>	-	-	-
<b>Unit transactions:</b>			
Proceeds from sale of units	139	188	147
Reinvested from distributions	-	-	-
Payment on redemption of units	(51)	(101)	(233)
<b>Total unit transactions</b>	88	87	(86)
<b>Increase (decrease) in net assets</b>	165	18	(184)
<b>Net assets, end of period</b>	547	382	364
<b>Series C</b>			
<b>Net assets, beginning of period</b>	64,318	82,912	120,336
Increase (decrease) in net assets resulting from:			
<b>Operations</b>	12,798	(13,739)	(22,671)
<b>Distributions:</b>			
Income	-	-	-
Capital gains	-	-	-
Management fee rebates	-	-	-
Service fee rebates	(250)	(121)	(405)
<b>Total distributions</b>	(250)	(121)	(405)
<b>Unit transactions:</b>			
Proceeds from sale of units	1,896	1,366	2,555
Reinvested from distributions	223	110	364
Payment on redemption of units	(11,272)	(6,210)	(17,267)
<b>Total unit transactions</b>	(9,153)	(4,734)	(14,348)
<b>Increase (decrease) in net assets</b>	3,395	(18,594)	(37,424)
<b>Net assets, end of period</b>	67,713	64,318	82,912

	12 months Mar. 31 2010	6 months Mar. 31 2009	12 months Sep. 30 2008
<b>Total</b>			
<b>Net assets, beginning of period</b>	75,654	95,679	134,054
Increase (decrease) in net assets resulting from:			
<b>Operations</b>	15,090	(15,921)	(25,897)
<b>Distributions:</b>			
Income	-	-	-
Capital gains	-	-	-
Management fee rebates	-	-	-
Service fee rebates	(250)	(121)	(405)
<b>Total distributions</b>	(250)	(121)	(405)
<b>Unit transactions:</b>			
Proceeds from sale of units	4,137	3,311	6,442
Reinvested from distributions	223	110	364
Payment on redemption of units	(13,362)	(7,404)	(18,879)
<b>Total unit transactions</b>	(9,002)	(3,983)	(12,073)
<b>Increase (decrease) in net assets</b>	5,838	(20,025)	(38,375)
<b>Net assets, end of period</b>	81,492	75,654	95,679

### Increase (decrease) in units (in thousands):

<b>Series A</b>			
<b>Units outstanding, beginning of period</b>	1,358	1,281	1,076
Add (deduct):			
Units sold	227	211	327
Reinvested from distributions	-	-	-
Units redeemed	(220)	(134)	(122)
<b>Units outstanding, end of period</b>	1,365	1,358	1,281
<b>Series B</b>			
<b>Units outstanding, beginning of period</b>	48	38	45
Add (deduct):			
Units sold	15	22	13
Reinvested from distributions	-	-	-
Units redeemed	(6)	(12)	(20)
<b>Units outstanding, end of period</b>	57	48	38
<b>Series C</b>			
<b>Units outstanding, beginning of period</b>	8,065	8,654	9,916
Add (deduct):			
Units sold	208	168	226
Reinvested from distributions	25	13	32
Units redeemed	(1,221)	(770)	(1,520)
<b>Units outstanding, end of period</b>	7,077	8,065	8,654

STATEMENT OF INVESTMENTS

at March 31, 2010

	Country	Sector	No. of Units, Shares, or Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES</b>					
ACE Ltd.	United States	Financials	35,863	1,713	1,904
AGCO Corp.	United States	Industrials	13,779	396	501
AT&T Inc.	United States	Telecommunication Services	43,369	1,664	1,138
Altria Group Inc.	United States	Consumer Staples	48,452	753	1,008
Anheuser-Busch InBev NV	Belgium	Consumer Staples	12,287	252	628
Arkema	France	Materials	446	18	17
Astellas Pharma Inc.	Japan	Health Care	37,231	1,533	1,366
BEC World PCL	Thailand	Consumer Discretionary	1,262,427	936	979
BNP Paribas SA	France	Financials	18,521	2,009	1,444
Banco Santander SA	Spain	Financials	43,209	498	583
Brambles Ltd.	Australia	Industrials	154,778	883	1,058
Bristol-Myers Squibb Co.	United States	Health Care	17,211	652	466
British American Tobacco BHD	Malaysia	Consumer Staples	7,958	116	108
British American Tobacco PLC	United Kingdom	Consumer Staples	73,588	1,302	2,576
Busan Bank	South Korea	Financials	54,860	569	596
CEZ Ceske Energeticke Zavody AS	Czech Republic	Utilities	14,504	168	696
CIMB Group Holdings BHD	Malaysia	Financials	58,808	124	258
CNOOC Ltd.	China	Energy	909,459	927	1,513
Canon Inc.	Japan	Information Technology	22,771	1,064	1,068
Cavco Industries Inc.	United States	Consumer Discretionary	3,829	52	133
The Dun & Bradstreet Corp.	United States	Industrials	26,502	1,499	2,002
Eagle Materials Inc.	United States	Materials	15,895	398	428
FUJIFILM Holdings Corp.	Japan	Information Technology	40,616	1,846	1,417
Forestar Group Inc.	United States	Financials	17,022	364	326
Fortis	Belgium	Financials	1,448	6	5
Genting Malaysia BHD	Malaysia	Consumer Discretionary	375,028	261	333
Genting Singapore PLC	Singapore	Consumer Discretionary	39,159	13	25
GlaxoSmithKline PLC	United Kingdom	Health Care	89,833	2,437	1,751
Goldcorp Inc.	Canada	Materials	39,323	1,137	1,486
Hannover Rueckversicherung AG Reg.	Germany	Financials	33,650	1,485	1,681
Henkel AG & Co. KGaA	Germany	Consumer Staples	14,956	692	698
Honeywell International Inc.	United States	Industrials	37,428	1,527	1,719
Hugoton Royalty Trust	United States	Energy	1,470	46	25
ING Groep NV	Netherlands	Financials	69,351	1,440	703
International Business Machines Corp.	United States	Information Technology	21,216	2,610	2,762
Intesa Sanpaolo SPA	Italy	Financials	99,318	457	375
Invensys PLC	United Kingdom	Industrials	24,545	209	129
Invesco Ltd.	United States	Financials	38,265	668	850
iShares MSCI France Index Fund	France	Exchange Traded Fund	52,783	1,491	1,295
iShares MSCI Italy Index Fund	Italy	Exchange Traded Fund	88,509	2,772	1,555
iShares MSCI Spain Index Fund	Spain	Exchange Traded Fund	8,316	424	354
iShares MSCI United Kingdom Index Fund	United Kingdom	Exchange Traded Fund	74,810	1,558	1,227
JPMorgan Chase & Co.	United States	Financials	35,888	1,585	1,630
KB Financial Group Inc.	South Korea	Financials	10,379	646	507
KB Financial Group Inc. ADR	South Korea	Financials	1,578	113	77
Keppel Corp. Ltd.	Singapore	Industrials	158,618	392	1,047
Keyence Corp.	Japan	Information Technology	5,766	1,314	1,396
Koninklijke Philips Electronics NV	Netherlands	Industrials	10,991	363	358
Kraft Foods Inc. Class A	United States	Consumer Staples	33,176	791	1,018
Lincoln National Corp.	United States	Financials	12,122	656	377
Lloyds Banking Group PLC	United Kingdom	Financials	271,454	1,862	263
Mediaset SPA	Italy	Consumer Discretionary	78,582	520	685
MetLife Inc.	United States	Financials	19,587	688	861
Moody's Corp.	United States	Financials	46,158	1,650	1,394
Newmont Mining Corp. Holding Co.	United States	Materials	20,634	937	1,067
Nippon Telegraph & Telephone Corp. (NTT)	Japan	Telecommunication Services	13,445	710	574
Nomura Holdings Inc.	Japan	Financials	110,876	2,080	827
Northrop Grumman Corp.	United States	Industrials	21,307	1,560	1,418
Omnicom Group Inc.	United States	Consumer Discretionary	21,811	1,052	858
POSCO	South Korea	Materials	3,094	1,616	1,466
PTT Exploration and Production PCL	Thailand	Energy	199,359	359	929
Petroleo Brasileiro SA - Petrobras Pref.	Brazil	Energy	20,371	86	410
Philip Morris International Inc.	United States	Consumer Staples	47,434	1,675	2,512
Roche Holding AG Genussscheine	Switzerland	Health Care	9,670	1,199	1,585
Royal Dutch Shell PLC B	United Kingdom	Energy	40,883	1,275	1,144
The Sage Group PLC	United Kingdom	Information Technology	252,570	893	930
Samsung Electronics Co. Ltd.	South Korea	Information Technology	322	198	236
Samsung Electronics Co. Ltd. GDR	South Korea	Information Technology	5,936	1,397	2,200
Schneider Electric SA	France	Industrials	9,646	1,282	1,149
Shangri-La Asia Ltd.	Hong Kong	Consumer Discretionary	279,928	447	556
Singapore Press Holdings Ltd.	Singapore	Consumer Discretionary	154,070	452	426

# IG AGF Global Equity Fund

ANNUAL FINANCIAL STATEMENTS

MARCH 31, 2010

## STATEMENT OF INVESTMENTS (continued)

at March 31, 2010

	Country	Sector	No. of Units, Shares, or Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>EQUITIES (continued)</b>					
Standard Chartered PLC	United Kingdom	Financials	21,985	344	609
Temple-Inland Inc.	United States	Materials	26,352	980	546
Teva Pharmaceutical Industries Ltd. ADR	Israel	Health Care	7,865	441	504
Total SA	France	Energy	19,301	1,023	1,138
UOL Group Ltd.	Singapore	Financials	2,745	5	8
Umicore	Belgium	Materials	6,806	113	241
United Overseas Bank Ltd.	Singapore	Financials	20,855	200	291
Unum Group	United States	Financials	66,575	1,583	1,673
Vale SA ADR	Brazil	Materials	5,608	30	183
Vale SA Pref. A	Brazil	Materials	6,382	88	180
Waste Management Inc.	United States	Industrials	61,357	2,272	2,143
The Wharf (Holdings) Ltd.	Hong Kong	Financials	408,307	1,367	2,336
The Williams Companies Inc.	United States	Energy	112,019	1,235	2,626
XTO Energy Inc.	United States	Energy	32,136	890	1,538
				77,338	81,102
<b>COMMISSIONS AND OTHER PORTFOLIO TRANSACTION COSTS</b>				(206)	-
<b>TOTAL INVESTMENTS</b>				<u>77,132</u>	<u>81,102</u>
<b>Net Assets:</b>					
Total investments					81,102
Cash and cash equivalents					(136)
Other net assets (liabilities)					526
					<u>81,492</u>

See accompanying notes to financial statements.

**1. ORGANIZATION OF THE FUND, FISCAL PERIODS AND GENERAL INFORMATION**

**(a) Organization of the Fund and fiscal periods**

The Fund is organized as an open-ended mutual fund trust. The Fund is authorized to issue an unlimited number of units of multiple series. If issued, Series F, P, S and Z units are only available for purchase by other Investors Group Funds or other qualified investors. All series generally share in the operations of the Fund, including net income, realized gain (loss) and unrealized gain (loss), on a pro rata basis except for items that can be specifically attributed to one or more series. Distributions for each series may vary, partly due to the differences in expenses between the series.

The financial statements of the Fund are presented as at and for the 12-month period ended March 31, 2010, as at and for the six-month period ended March 31, 2009, and as at and for the 12-month period ended September 30, 2008. If applicable, financial results for the Fund or series established during the periods are presented from the date operations commenced to March 31 or September 30, as applicable, of that fiscal period.

Effective after the close of business on September 30, 2008, the Fund changed its financial year-end from September 30 to March 31.

**(b) General information**

I.G. Investment Management, Ltd. is the Manager and Trustee of the Fund. The Fund is distributed by Investors Group Financial Services Inc. and Investors Group Securities Inc. (collectively, the "Distributors"). These companies are, indirectly, wholly owned subsidiaries of IGM Financial Inc.

IGM Financial Inc. is a subsidiary of Power Financial Corp. and Power Corporation of Canada. Power Financial Corp. also owns a majority of Great-West Lifeco Inc. and its related companies and, therefore, those companies are considered affiliates of the Trustee, the Manager and the Distributors. The Fund may invest in certain securities within the Power Group of Companies, subject to certain governance criteria, and these holdings, as of March 31, 2010, have been identified on the Statement of Investments for the Fund. Any transactions during the period were executed through market intermediaries and under prevailing market terms and conditions.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). GAAP requires Management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results may differ from such estimates. The significant accounting policies of the Fund are as follows:

**(a) Valuation of investments**

Investments are deemed to be held for trading in accordance with CICA Section 3855, Financial Instruments – Recognition and Measurement ("Section 3855") and therefore are recorded at fair value. Investment purchase and sale transactions are recorded as of the trade date. Realized and unrealized gains and losses on investments are calculated based on average cost of investments, excluding brokerage commissions and other trading costs. Brokers' commissions and other transaction charges are immediately charged to net income in the period incurred. Cost of securities presented in the Statement of Investments represents the amount paid for each security, including brokerage commissions and other trading costs, and is determined on an average cost basis. See Note 10 for the fair value classification of financial instruments as of March 31, 2010.

**(i) Equity securities, bonds and other mutual funds**

Investments in securities listed on a public securities exchange or traded on an over-the-counter market are valued at the closing bid price. Securities with no available closing bid prices are valued at the last trade or closing price. Investments in securities of another mutual fund are valued on a business day at the net asset value per security calculated in accordance with the offering documents of such mutual fund. Unlisted or non-exchange traded securities, or securities for which a bid price, last sale or closing price are unavailable or securities for which market quotations are, in the Manager's opinion, inaccurate, unreliable or not reflective of all available material information, are valued at their estimated fair value, determined by using appropriate and accepted industry valuation techniques including valuation models. The estimated fair value of a security determined using valuation models requires the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices. In limited circumstances, the estimated fair value of a security may be determined using valuation techniques that are not supported by observable market data.

**(ii) Futures contracts**

Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded. The value of a contract is the gain or loss that would be realized upon closure. Margin paid or deposited in respect of futures contracts, net of the unrealized gain or loss, is included on the Statements of Net Assets. Any change in the margin requirement is settled daily.

**(iii) Forward contracts**

Forward contracts, including forward currency contracts, are valued at the gain or loss that would arise as a result of closing the position at the reporting date.

**(iv) Options contracts**

Premiums received from writing options are included in the Statements of Net Assets as a liability and subsequently adjusted daily to fair value. If a written option expires unexercised, the premium received is recognized as a realized gain. If a written call option is exercised, the difference between the proceeds of the sale plus the value of the premium, and the cost of the security is recognized as a realized gain or loss. If a written put option is exercised, the cost of the security acquired is the exercise price of the option less the premium received.

**(b) Cash and cash equivalents**

Cash and cash equivalents are comprised of cash on deposit and short-term investments with terms to maturity of less than one year at acquisition. Cash and cash equivalents are deemed to be held for trading and therefore carried at fair value.

**(c) Currency**

All amounts are expressed in Canadian dollars. The par value of securities in the Statement of Investments is expressed in the currency of origin unless otherwise noted. For securities of Austria, Belgium, France, Finland, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain, par values are expressed in euro currency, unless otherwise noted. Foreign currency amounts have been expressed in Canadian dollars on the following bases:

(i) Fair value of investments and other assets and liabilities at the rate of exchange at the end of the period.

(ii) Income, expenses, purchases and sales of investments at the rate of exchange on the dates of such transactions.

**(d) Income recognition**

Income from investments is recognized on an accrual basis. Dividend income is recognized at the time a security trades on an ex-dividend basis. Interest income is based on the number of days the investment is held during the period.

**(e) Securities lending and repurchase transactions**

The Fund may be permitted to enter into securities lending, repurchase and reverse repurchase transactions as set out in the Fund's Simplified Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to deliver the same securities on a future date. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions is recognized on the accrual basis and included in the Statements of Operations. All the counterparties have a sufficient, approved credit rating and the value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased. The value of securities loaned and collateral received from securities lending as of the end of the periods, if applicable, is disclosed in Note 10. Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments, and financial institutions.

**(f) Per unit information**

(i) Net assets per unit is computed by dividing the net assets attributable to the series, determined in accordance with GAAP, by the total number of units of the series outstanding.

(ii) Net increase/(decrease) in net assets from operations per unit, represents the net increase/(decrease) in net assets of the series from operations for the period divided by the weighted average units outstanding for the series during the period.

**(g) Other assets and liabilities**

For the purposes of categorization in accordance with Section 3855, accrued interest and dividends receivable, receivables for securities issued, amounts due from brokers, the Manager, and other net assets are designated as loans and receivables and recorded at cost or amortized cost. Similarly, amounts due to brokers, accounts payable for securities redeemed, accrued expenses and other liabilities are designated as other financial liabilities and reported at cost or amortized cost. Cost or amortized cost approximates fair value for these assets and liabilities.

**(h) Comparative figures**

Certain prior period comparative amounts have been restated to conform to the current period's presentation.

**(i) Changes in accounting policies**

In March 2009, the CICA issued amendments to CICA 3862, Financial Instruments – Disclosures to align with IFRS 7, Financial Instruments – Disclosures. The amendments require all financial instruments measured at fair value to be classified into one of three levels that distinguish fair value measurements by the significance of the inputs used for valuation. The Fund has included these disclosures in the financial statements for the year ended March 31, 2010.

On October 1, 2007, the Fund adopted CICA Section 3862, Financial Instruments – Disclosures ("Section 3862") and CICA Section 3863, Financial Instruments – Presentation ("Section 3863"), replacing Section 3861. Section 3862 requires enhanced disclosure of the nature and extent of the risks arising from financial instruments and how the Fund manages those risks. Section 3863 carries forward unchanged the presentation requirements of Section 3861 with respect to financial instruments.

Effective October 1, 2008, the Fund adopted EIC-173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. EIC-173 clarifies that credit risk and counterparty risk should be considered in determining the fair value of financial instruments. The adoption of EIC-173 did not have an impact on the Fund's financial statements.

**(j) Future accounting changes**

The Canadian Accounting Standards Board ("AcSB") has confirmed its plan to adopt all International Financial Reporting Standards ("IFRS"), as published by the International Accounting Standards Board, for most publicly accountable entities on or by January 1, 2011. On May 14, 2010, the AcSB announced it will propose amendments which will provide most investment funds with the option to defer adoption of IFRS until fiscal years beginning on or after January 1, 2012. The Manager is currently assessing the impact of this announcement on the Fund and its plans for adopting IFRS. Accordingly, the Fund will adopt IFRS for either its fiscal period beginning April 1, 2011 or 2012 and will issue its initial financial statements in accordance with IFRS, including comparative information, for either the interim period ending September 30, 2011 or 2012.

**3. MANAGEMENT FEES AND OTHER EXPENSES**

- (a) Each series of the Fund will incur expenses that can be specifically attributed to that series. Common expenses of the Fund are allocated across the series of the Fund on a pro rata basis.
- (b) The Manager provides or arranges for the provision of investment and advisory services for a management fee. See Note 10 for the annual rates paid (as a percent of average assets) by the Fund.
- (c) The Fund pays the Manager an administrative services fee and in return the Manager will bear the operating expenses of the Fund, other than certain specified Fund costs. See Note 10 for the annual rates paid, including applicable implementation period adjustments, (as a percent of average assets) by the Fund.  
Other Fund costs include taxes (including but not limited to GST/HST, income tax and capital tax), transaction costs related to the purchase and sale of investments and derivatives, interest and borrowing costs, and Independent Review Committee ("IRC") costs.
- (d) The Fund may pay the Distributors a service fee to compensate them for providing or arranging for the provision of services to the Fund. A portion of the service fee related to Series C is rebated by the Distributors to the Fund on a quarterly basis as outlined in the Fund's Prospectus. The rebate is distributed as a capital distribution to eligible unitholders and is reinvested in additional Series C units of the Fund or another distributing Fund held by the unitholder, at the net asset value per unit on the distribution dates. See Note 10 for the annual rates paid (as a percent of average assets) by the Fund.
- (e) The Trustee is responsible for overall direction and management of the affairs of the Fund. See Note 10 for the annual rates paid (as a percent of average assets) to the Trustee by the Fund.
- (f) GST/HST paid by the Fund on its expenses is not recoverable.
- (g) Other expenses are comprised of interest and borrowing charges and other miscellaneous expenses.
- (h) The Manager may, at its discretion, pay certain expenses of the Fund so the Fund's performance remains competitive; however, there is no assurance that this will occur in the future. Any expenses absorbed by the Manager during the periods have been identified in the Statements of Operations.

**4. NET ASSET VALUE PER UNIT**

Net asset value ("pricing NAV") per unit is computed by dividing the net asset value attributable to a series of the Fund, determined for the purchase and redemption of units in accordance with the Fund's prospectus and annual information form, by the total number of units of the series outstanding. This amount may be different from the net asset per unit calculation, which is presented on the Statement of Net Assets. Generally, any difference is due to valuing actively traded securities at bid price for GAAP purposes while pricing NAV typically utilizes closing price to determine fair value for the purchase and redemption of units. See Note 10 for the net asset values per unit as of March 31, 2010, March 31, 2009, and September 30, 2008, for the Fund.

**5. INCOME TAXES**

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains, which is not paid or payable to its unitholders. The year-end of the Fund for tax purposes is December 15 or 31. The Fund is subject to withholding taxes on foreign income. In general, the Fund treats withholding tax as a charge against income for tax purposes. It is the intention of the Fund to distribute sufficient net income and net realized capital gains, as required, so that the Fund will not pay income taxes other than refundable tax on capital gains, if applicable.

See Note 10 for the losses that were available to offset future income for tax purposes as at the last taxation year-end. The net capital losses can be carried forward indefinitely to reduce future realized capital gains. The non-capital losses may be utilized to reduce taxable income of future years and expire in December of the years indicated.

**6. COMMISSIONS AND OTHER PORTFOLIO TRANSACTION COSTS**

The total broker commissions incurred by the Fund in connection with portfolio transactions for the period, together with other transaction charges, is disclosed in the Statement of Operations. Brokerage business is allocated to brokers based on the best net result for the Fund. Subject to this criteria, commissions may be paid to brokerage firms which provide (or pay for) certain services, which may include investment research, analysis and reports, and data bases or software in support of these services (arrangements referred to as "soft dollars"). Where applicable and ascertainable, the value of third-party services that were paid for by brokers during the periods is disclosed in Note 10. The value of certain proprietary services provided by brokers cannot be reasonably estimated.

**7. CONTINGENT LIABILITY**

Agreements between the individual members of the Fund's IRC and the Trustee, on behalf of the Fund, provides for the indemnification of each IRC member by the Fund from and against liabilities and costs in respect of any action or suit against the member by reason of being or having been a member of the IRC, provided that the member acted honestly and in good faith with a view to the best interest of the Fund, or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, that they had reasonable grounds for believing that his/her conduct was lawful. No claims with respect to such occurrences have been made and, as such, no amount has been recorded in these financial statements with respect to these indemnifications.

**8. FINANCIAL INSTRUMENT RISK**

The Fund's investment activities expose it to a variety of financial risks. The Statement of Investments presents the securities held by the Fund as at the end of the period.

**(a) Liquidity risk**

The Fund is exposed to daily cash redemptions of redeemable units. In accordance with securities regulations, the Fund must maintain at least 90% of its assets in liquid investments (i.e. investments that are traded in an active market and can be readily sold). In addition, the Fund retains sufficient cash and cash-equivalent positions to maintain adequate liquidity. The Fund also has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions.

**(b) Currency risk**

Currency risk is the risk that financial instruments which are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates.

Note 10 indicates the foreign currencies, if applicable, to which the Fund had significant exposure, including the underlying principal amount of forward currency contracts as at period end in Canadian dollar terms. Other financial assets and liabilities (including dividends and interest receivable, and receivables/payables for securities sold/purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.

**(c) Interest rate risk**

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Cash and cash equivalents and other money market instruments are short term in nature and are not generally subject to significant amounts of interest rate risk. Note 10 summarizes the Fund's exposure, if significant, to interest rate risk.

**(d) Other price risk**

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Manager moderates this risk through a careful selection of securities and other financial instruments within the parameters of the investment strategy. Except for options written and futures contracts, the maximum risk resulting from financial instruments is equivalent to their fair value. The maximum risk of loss on options written and futures contracts is equal to their notional values. However, options written are used within the overall investment management process to manage the risk from the underlying securities and do not typically increase the overall risk of loss to the Fund. Note 10 summarizes the Fund's exposure, if significant, to other price risk.

**(e) Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. Note 10 summarizes the Fund's exposure, if significant, to credit risk arising from fixed-income securities such as bonds.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

The carrying amount of investments represents the maximum credit risk exposure. The carrying amount of other assets also represents the maximum credit risk exposure, as they will be settled in the short term.

The Fund may enter into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as all counterparties have a sufficient, approved credit rating and the value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned.

**9. FURTHER INFORMATION AVAILABLE**

A copy of the Fund's current simplified prospectus, annual information form and/or Management Report of Fund Performance, will be provided, without charge, by writing to: Investors Group Financial Services Inc., 447 Portage Avenue, Winnipeg, Manitoba, R3C 3B6 or, in Quebec, 2001, rue University, Bureau 2000, Montreal, Quebec, H3A 2A6, or by calling toll-free 1-888-746-6344 (in Quebec 1-800-661-4578).

10. FUND SPECIFIC INFORMATION

(a) Fund and series information

Series	Date operations commenced <sup>1</sup>	Deferred sales charge	Management fee	Service fee	Administration fee <sup>2</sup>	Trustee fee	Net asset value per unit (\$)		
							as at March 31 2010	as at March 31 2009	as at September 30 2008
Series A	n/a	up to 5.50%	2.25%	0.30%	0.22%	0.05%	9.72	8.08	9.69
Series B	n/a	- %	2.25%	0.45%	0.22%	0.05%	9.62	8.01	9.61
Series C	n/a	up to 5.50%	2.25%	0.50%	0.20%	0.05%	9.60	7.99	9.59

<sup>1</sup> If within the three financial periods ended March 31, 2010.

<sup>2</sup> The Administration fee presented in the table corresponds to the period ended March 31, 2010.

Comparative figures for the period ended March 31, 2009 were: Series A: 0.22%; Series B: 0.22%; Series C: 0.20%. Comparative figures for the period ended September 30, 2008 were: Series A: 0.20%; Series B: 0.20%; Series C: 0.18%.

Effective July 18, 2008, the Fund changed its name from IG AGF International Equity Fund to IG AGF Global Equity Fund.

(b) Income tax losses (\$ 000)

Total capital loss	Total non-capital loss	2029	2028	Expiration year for non-capital losses				2010
				2027	2026	2015	2014	
193,212	355	192	-	-	-	-	-	163

(c) Commissions (\$ 000)

Included in the table below is the portion of commissions paid to certain brokers during the periods which were available for the payment of third-party services.

12 months to March 31 2010	6 months to March 31 2009	12 months to September 30 2008
-	-	-

(d) Securities lending (\$ 000)

March 31, 2010		March 31, 2009		September 30, 2008	
Value of securities loaned	Value of collateral received	Value of securities loaned	Value of collateral received	Value of securities loaned	Value of collateral received
4,086	4,330	3,635	3,953	7,077	7,473

(e) Financial instrument risk

(i) Risk management

The Manager seeks to minimize potential adverse effects of financial instrument risks on the Fund's performance by employing professional, experienced portfolio advisors, daily monitoring of the Fund's positions and market events, diversifying the investment portfolio within the constraints of the investment objective, and periodically may use derivatives to hedge certain risk exposures. To assist in managing risk, the Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations.

The investment portfolio is comprised primarily of common shares of foreign issuers. A proprietary quantitative model assists in determining which countries the Fund should invest in and the amounts to be allocated to each country. Within those countries, stocks are selected which are reasonably priced relative to their growth potential.

(ii) Currency risk

The table below indicates the foreign currencies to which the Fund had significant exposure as of March 31, 2010, March 31, 2009 and September 30, 2008, in Canadian dollar terms. The table also illustrates the potential impact to the Fund's net assets had the Canadian dollar strengthened or weakened by 5% relative to all foreign currencies, all other variables held. In practice, the actual trading results may differ and the difference could be material.

Currency	March 31, 2010				
	Investments (\$ 000)	Cash and cash equivalents (\$ 000)	Forward currency contracts (\$ 000)	Net exposure* (\$ 000)	Impact on net assets (\$ 000)
United States dollars	40,321	39	-	40,360	
Euro	9,704	-	-	9,704	
United Kingdom pounds	7,401	163	-	7,564	
Japanese yen	6,647	22	-	6,669	
Hong Kong dollars	4,404	-	-	4,404	
South Korean won	2,805	15	-	2,820	
Thailand baht	1,908	-	-	1,908	
Singapore dollars	1,798	-	-	1,798	
Other currencies	4,628	65	-	4,693	
Total	79,616	304	-	79,920	3,996
As percent of net assets (%)				98.1	4.9

\*includes both monetary and non-monetary financial instruments.

**10. FUND SPECIFIC INFORMATION**

**(e) Financial instrument risk**

(ii) Currency risk (continued)

Currency	March 31, 2009					September 30, 2008				
	Investments (\$ 000)	Cash and cash equivalents (\$ 000)	Forward currency contracts (\$ 000)	Net exposure* (\$ 000)	Impact on net assets (\$ 000)	Investments (\$ 000)	Cash and cash equivalents (\$ 000)	Forward currency contracts (\$ 000)	Net exposure* (\$ 000)	Impact on net assets (\$ 000)
United States dollars	38,099	150	-	38,249	-	49,349	118	-	49,467	-
Euro	9,209	644	-	9,853	-	13,783	405	-	14,188	-
United Kingdom pounds	5,567	1	-	5,568	-	6,974	340	-	7,314	-
Japanese yen	7,748	29	-	7,777	-	8,641	1	-	8,642	-
Hong Kong dollars	3,263	130	-	3,393	-	2,082	629	-	2,711	-
South Korean won	1,245	66	-	1,311	-	2,885	490	-	3,375	-
Thailand baht	2,180	-	-	2,180	-	2,322	30	-	2,352	-
Singapore dollars	1,797	7	-	1,804	-	1,972	23	-	1,995	-
Other currencies	4,061	405	-	4,466	-	4,495	855	-	5,350	-
<b>Total</b>	<b>73,169</b>	<b>1,432</b>	<b>-</b>	<b>74,601</b>	<b>3,730</b>	<b>92,503</b>	<b>2,891</b>	<b>-</b>	<b>95,394</b>	<b>4,770</b>
As percent of net assets (%)				98.6	4.9				99.7	5.0

\*Includes both monetary and non-monetary financial instruments.

(iii) Interest rate risk

As of March 31, 2010, March 31, 2009 and September 30, 2008, the Fund did not have a significant exposure to interest rate risk.

(iv) Other price risk

For this Fund, the most significant exposure to other price risk arises from its investment in equity securities. As of March 31, 2010, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, all other variables held constant, net assets would have increased or decreased, respectively, by approximately \$8,110,000 or 10.0% of total net assets (March 31, 2009 – approximately \$7,320,000 or 9.7%, September 30, 2008 – approximately \$9,252,000 or 9.7%). In practice, the actual trading results may differ and the difference could be material.

(v) Credit risk

As of March 31, 2010, March 31, 2009 and September 30, 2008, the Fund did not have a significant exposure to credit risk.

**(f) Fair value of financial instruments**

The table below summarizes the fair value of the Fund's financial instruments using the following fair value hierarchy:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

as of March 31, 2010 (\$ 000)	Level 1	Level 2	Level 3	Total
Fixed income	-	-	-	-
Equities	81,028	74	-	81,102
<b>Total investments</b>	<b>81,028</b>	<b>74</b>	<b>-</b>	<b>81,102</b>
Derivative assets	-	-	-	-
Derivative liabilities	-	-	-	-
Short-term investments	-	-	-	-
<b>Total</b>	<b>81,028</b>	<b>74</b>	<b>-</b>	<b>81,102</b>

In accordance with the Fund's valuation policy, the Fund applies fair value adjustment factors to the quoted market prices for non-North American equities when North American intraday stock market movements exceed predetermined tolerances. The adjustment factors are applied in order to estimate the impact on fair values of events occurring between the close of the non-North American stock markets and the close of business for the Fund. If fair value adjustment factors are applied, non-North American equities are classified as Level 2. Consequently, during the period ended March 31, 2010, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As of March 31, 2010, these securities were classified as Level 1.

# IG AGF Global Equity Fund

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

MARCH 31, 2010

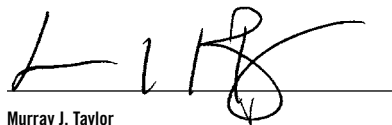
The accompanying financial statements have been prepared by I.G. Investment Management, Ltd., as Manager of the Fund. The Manager is responsible for the integrity, objectivity and reliability of the data presented. This responsibility includes selecting appropriate accounting principles and making judgments and estimates consistent with Canadian generally accepted accounting principles. The Manager is also responsible for the development of internal controls over the financial reporting process which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors (the "Board") of I.G. Investment Management, Ltd. is responsible for reviewing and approving the financial statements and overseeing the Manager's performance of its financial reporting responsibilities. The Board is assisted in discharging this responsibility by an Audit Committee, which reviews the financial statements and recommends them for approval by the Board. The Audit Committee also meets regularly with the Manager, the internal auditor and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues.

KPMG LLP are the external auditors of the Fund. They are appointed by the Board. The external auditors have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the unitholders their opinion on the financial statements. Their report is set out below.

On behalf of I.G. Investment Management, Ltd.,

Manager of the Fund



**Murray J. Taylor**  
Chairman of the Board  
and President



**BJ Reid**  
Authorized Signing Officer and  
Chief Financial Officer, Investors Group Mutual Funds

May 28, 2010

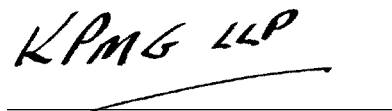
## AUDITORS' REPORT

To the Unitholders of IG AGF Global Equity Fund

We have audited the Statement of Investments as of March 31, 2010, the Statements of Net Assets as of March 31, 2010, March 31, 2009, and September 30, 2008, and the Statements of Operations and Changes in Net Assets for the periods then ended, as indicated in note 1. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the investments of the Fund as of March 31, 2010, the net assets of the Fund as of March 31, 2010, March 31, 2009, and September 30, 2008, and the results of its operations and the changes in its net assets for the periods indicated in note 1, in accordance with Canadian generally accepted accounting principles.



**Chartered Accountants**

Winnipeg, Canada  
May 28, 2010