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# Alto Aggressive Canada Focus Portfolio

## **Annual Financial Statements**

FOR THE PERIOD ENDED MARCH 31, 2010

# Alto Aggressive Canada Focus Portfolio

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	36,060	20,500	23,180
Cash and cash equivalents	-	43	1
Accrued interest and dividends receivable	-	-	-
Taxes recoverable (payable)	-	-	-
Accounts receivable for securities sold	16	7	-
Due from underlying funds	18	128	113
Due from manager	-	4	2
Other assets	-	-	-
	34	182	116
<b>Total assets</b>	<b>36,094</b>	<b>20,682</b>	<b>23,296</b>
<b>Liabilities:</b>			
Bank overdraft	-	-	-
Accounts payable for securities redeemed	-	-	-
Accrued expenses	-	-	-
Due to underlying funds	73	179	133
Other liabilities	1	-	-
<b>Total liabilities</b>	<b>74</b>	<b>179</b>	<b>133</b>
<b>Net assets</b>	<b>36,020</b>	<b>20,503</b>	<b>23,163</b>
<b>Net assets per series, end of period</b>			
Series A	32,628	19,019	22,027
Series B	987	321	339
Series C	1,318	508	389
Series S	1,087	655	408
<b>Net assets per unit, end of period</b>			
Series A	11.93	8.11	10.67
Series B	11.81	8.04	10.59
Series C	9.06	6.18	8.13
Series S	9.07	6.14	8.06

## 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	69	84	164
Trust income	-	-	-
Interest and other income	24	22	9
	93	106	173
<b>Expenses:</b>			
Distribution fees	43	14	37
Distribution fee rebates	-	-	-
Service fees	86	29	75
Service fee rebates	(2)	-	(1)
Administration fees	62	23	49
Goods and services tax	3	1	2
Independent Review Committee costs	-	-	-
Other	-	-	-
	192	67	162
<b>Net income (loss)</b>	<b>(99)</b>	<b>39</b>	<b>11</b>
Realized gain (loss)	161	(1,788)	560
Unrealized gain (loss)	10,137	(3,476)	(6,173)
<b>Net realized and unrealized gain (loss) from investments and foreign exchange</b>	<b>10,298</b>	<b>(5,264)</b>	<b>(5,613)</b>
<b>Net increase (decrease) in net assets from operations</b>	<b>10,199</b>	<b>(5,225)</b>	<b>(5,602)</b>
<b>Net increase (decrease) in net assets from operations per series</b>			
Series A	9,375	(4,970)	(5,352)
Series B	200	(78)	(80)
Series C	292	(89)	(89)
Series S	332	(88)	(81)
<b>Net increase (decrease) in net assets from operations per unit</b>			
Series A	3.85	(2.42)	(2.75)
Series B	3.79	(2.41)	(2.74)
Series C	2.92	(1.84)	(2.08)
Series S	2.95	(1.81)	(2.04)

# Alto Aggressive Canada Focus Portfolio

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>	19,019	22,027	23,127
Increase (decrease) in net assets resulting from:			
<b>Operations</b>	9,375	(4,970)	(5,352)
<b>Distributions:</b>			
Income	(64)	(78)	(160)
Capital gains	-	(232)	(1,157)
Distribution fee rebates	-	-	-
<b>Total distributions</b>	(64)	(310)	(1,317)
<b>Unit transactions:</b>			
Proceeds from sale of units	7,617	3,206	6,860
Reinvested from distributions	64	310	1,316
Payment on redemption of units	(3,383)	(1,244)	(2,607)
<b>Total unit transactions</b>	4,298	2,272	5,569
<b>Increase (decrease) in net assets</b>	13,609	(3,008)	(1,100)
<b>Net assets, end of period</b>	32,628	19,019	22,027
<b>Series B</b>			
<b>Net assets, beginning of period</b>	321	339	335
Increase (decrease) in net assets resulting from:			
<b>Operations</b>	200	(78)	(80)
<b>Distributions:</b>			
Income	(2)	(1)	(2)
Capital gains	-	(4)	(15)
Distribution fee rebates	-	-	-
<b>Total distributions</b>	(2)	(5)	(17)
<b>Unit transactions:</b>			
Proceeds from sale of units	713	93	202
Reinvested from distributions	2	5	17
Payment on redemption of units	(247)	(33)	(118)
<b>Total unit transactions</b>	468	65	101
<b>Increase (decrease) in net assets</b>	666	(18)	4
<b>Net assets, end of period</b>	987	321	339
<b>Series C</b>			
<b>Net assets, beginning of period</b>	508	389	325
Increase (decrease) in net assets resulting from:			
<b>Operations</b>	292	(89)	(89)
<b>Distributions:</b>			
Income	(2)	(2)	(2)
Capital gains	-	(7)	(17)
Distribution fee rebates	-	-	(1)
Service fee rebates	(2)	-	-
<b>Total distributions</b>	(4)	(9)	(20)
<b>Unit transactions:</b>			
Proceeds from sale of units	643	247	229
Reinvested from distributions	4	9	20
Payment on redemption of units	(125)	(39)	(76)
<b>Total unit transactions</b>	522	217	173
<b>Increase (decrease) in net assets</b>	810	119	64
<b>Net assets, end of period</b>	1,318	508	389

	12 months Mar. 31 2010	6 months Mar. 31 2009	12 months Sep. 30 2008
<b>Series S</b>			
<b>Net assets, beginning of period</b>	655	408	182
Increase (decrease) in net assets resulting from:			
<b>Operations</b>	332	(88)	(81)
<b>Distributions:</b>			
Income	(2)	(3)	(2)
Capital gains	-	(7)	(12)
Distribution fee rebates	-	-	-
<b>Total distributions</b>	(2)	(10)	(14)
<b>Unit transactions:</b>			
Proceeds from sale of units	119	341	310
Reinvested from distributions	2	10	14
Payment on redemption of units	(19)	(6)	(3)
<b>Total unit transactions</b>	102	345	321
<b>Increase (decrease) in net assets</b>	432	247	226
<b>Net assets, end of period</b>	1,087	655	408
<b>Total</b>			
<b>Net assets, beginning of period</b>	20,503	23,163	23,969
Increase (decrease) in net assets resulting from:			
<b>Operations</b>	10,199	(5,225)	(5,602)
<b>Distributions:</b>			
Income	(70)	(84)	(166)
Capital gains	-	(250)	(1,201)
Distribution fee rebates	-	-	(1)
Service fee rebates	(2)	-	-
<b>Total distributions</b>	(72)	(334)	(1,368)
<b>Unit transactions:</b>			
Proceeds from sale of units	9,092	3,887	7,601
Reinvested from distributions	72	334	1,367
Payment on redemption of units	(3,774)	(1,322)	(2,804)
<b>Total unit transactions</b>	5,390	2,899	6,164
<b>Increase (decrease) in net assets</b>	15,517	(2,660)	(806)
<b>Net assets, end of period</b>	36,020	20,503	23,163
<b>Increase (decrease) in units (in thousands):</b>			
<b>Series A</b>			
<b>Units outstanding, beginning of period</b>	2,344	2,064	1,628
Add (deduct):			
Units sold	703	394	538
Reinvested from distributions	6	40	102
Units redeemed	(317)	(154)	(204)
<b>Units outstanding, end of period</b>	2,736	2,344	2,064
<b>Series B</b>			
<b>Units outstanding, beginning of period</b>	40	32	24
Add (deduct):			
Units sold	66	11	16
Reinvested from distributions	-	1	1
Units redeemed	(22)	(4)	(9)
<b>Units outstanding, end of period</b>	84	40	32
<b>Series C</b>			
<b>Units outstanding, beginning of period</b>	82	48	30
Add (deduct):			
Units sold	78	39	24
Reinvested from distributions	-	1	2
Units redeemed	(15)	(6)	(8)
<b>Units outstanding, end of period</b>	145	82	48
<b>Series S</b>			
<b>Units outstanding, beginning of period</b>	107	51	17
Add (deduct):			
Units sold	15	55	33
Reinvested from distributions	-	2	1
Units redeemed	(2)	(1)	-
<b>Units outstanding, end of period</b>	120	107	51

See accompanying notes to financial statements.

# Alto Aggressive Canada Focus Portfolio

ANNUAL FINANCIAL STATEMENTS

MARCH 31, 2010

## STATEMENT OF INVESTMENTS

at March 31, 2010

	No. of Units, Shares, or Par Value	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>MUTUAL FUNDS</b>			
IG Mackenzie Ivy European Fund Series Z	179,600	1,754	1,803
IG Mackenzie Maxxum Canadian Equity Growth Fund Series Z	757,221	7,249	7,212
Investors Canadian Growth Fund Series Z	582,064	5,713	7,212
Investors Canadian Large Cap Value Fund Series Z	304,155	6,030	7,212
Investors Canadian Small Cap Fund Series Z	221,256	2,932	3,606
Investors European Mid-Cap Equity Fund Series Z	127,851	1,873	1,803
Investors Japanese Equity Fund Series Z	289,188	1,840	1,803
Investors U.S. Large Cap Growth Fund Series Z	174,068	1,752	1,803
Investors U.S. Large Cap Value Fund Series Z	70,288	3,496	3,606
<b>TOTAL INVESTMENTS</b>		<b>32,639</b>	<b>36,060</b>

<b>Net Assets:</b>			
Total investments			36,060
Cash and cash equivalents			-
Other net assets (liabilities)			(40)
			<b>36,020</b>

## Summary of Effective Asset Allocation Through Underlying Funds

at March 31, 2010

	Percent of Total Net Assets (%)	Indirect Exposure to Financial Instrument Risks:			
		Currency Risk	Interest Rate Risk	Other Price Risk	Credit Risk
<b>BY ASSET TYPE</b>					
Equities	95.1			✓	
Cash and cash equivalents	4.6				
Other net assets (liabilities)	0.3				
<b>Total</b>	<b>100.0</b>				
<b>BY REGIONAL CURRENCY</b>					
Canada	58.9				
United States	20.7	✓			
Europe ex U.K.	6.5	✓			
Japan	4.9	✓			
United Kingdom	2.5	✓			
Pacific ex Japan	1.2	✓			
Latin America	0.4	✓			
	<b>95.1</b>				

See accompanying notes to financial statements.

**1. ORGANIZATION OF THE PORTFOLIO FUND, FISCAL PERIODS AND GENERAL INFORMATION****(a) Organization of the Portfolio Fund and fiscal periods**

The Portfolio Fund is organized as an open-ended mutual fund trust. The Portfolio Fund is authorized to issue an unlimited number of units of multiple series. If issued, Series S units are only available for purchase by other Investors Group Funds or other qualified investors. All series generally share in the operations of the Portfolio 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 Portfolio 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 Portfolio 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 Portfolio Fund changed its financial year-end from September 30 to March 31.

**(b) General information**

- (i) I.G. Investment Management, Ltd. is the Manager and Trustee of the Portfolio Fund. The Portfolio 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.
- (ii) Investments of the Portfolio Fund consist of units or shares of other Investors Group Funds (called the "Underlying Funds"). The Underlying Funds have the same Manager as the Portfolio Fund. The Portfolio Fund purchases units or shares of at least three of these Underlying Funds. The Manager will purchase or redeem units of the Underlying Funds based entirely on the requirements of the Portfolio Fund. All transactions in the Underlying Funds are executed based on the net asset value per unit or share on each transaction day. No commissions or other fees are paid by either the Portfolio or Underlying Funds in relation to the purchase and redemption of units or shares.

**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 Portfolio 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. Cost of securities presented in the Statement of Investments represents the amount paid for each security and is determined on an average cost basis.

Investments in Underlying Funds are recorded at fair value, which is the net asset value per unit or share calculated in accordance with the offering documents of such Underlying Fund. These fair value measurements are classified as Level 1 (unadjusted quoted prices in active markets for identical assets or liabilities) in accordance with CICA Section 3862, Financial Instruments – Disclosure. There were no transfers in or out of Level 1 during the period.

**(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 Portfolio Fund does not have any significant transactions or balances in foreign currencies.

**(d) Income recognition**

Income from investments is recognized on an accrual basis. Distributions or dividends from Underlying Funds are recognized at the time the Underlying Funds' net asset value is calculated on an ex-dividend basis. Interest income is based on the number of days the security is held during the period.

**(e) 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.

**(f) 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 the Manager, and other net assets are designated as loans and receivables and recorded at cost or amortized cost. Similarly, 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.

**(g) Comparative figures**

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

**(h) 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 Portfolio Fund has included these disclosures in the financial statements for the year ended March 31, 2010.

On October 1, 2007, the Portfolio 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 Portfolio 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.

**(i) 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 Portfolio Fund and its plans for adopting IFRS. Accordingly, the Portfolio 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 Portfolio Fund will incur expenses that can be specifically attributed to that series. Common expenses of the Portfolio Fund are allocated across the series of the Portfolio Fund on a pro rata basis.
- (b) The Manager provides or arranges for the provision of investment and advisory services. The Portfolio Fund does not directly pay a management fee to the Manager for these services.
- (c) The Portfolio Fund pays the Manager an administrative services fee and in return the Manager will bear the operating expenses of the Portfolio Fund, other than certain specified costs. See Note 9 for the annual rates paid, including applicable implementation period adjustments (as a percent of average assets) by the Portfolio Fund.  
Other specified costs of the Portfolio Fund include taxes (including but not limited to GST/HST, income tax and capital tax), interest and borrowing costs and, Independent Review Committee ("IRC") costs.
- (d) The Portfolio Fund may pay the Distributors a service fee to compensate them for providing or arranging for the provision of services. A portion of the service fee related to Series C and Tc is rebated by the Distributors to the Portfolio Fund on a quarterly basis as outlined in the Portfolio Fund's prospectus. The rebate is distributed as a capital distribution to eligible unitholders and is reinvested in additional Series C or Tc units of the Portfolio Fund or another distributing Fund held by the unitholder, at the net asset value per unit on the distribution dates. See Note 9 for the annual rates paid (as a percent of average assets) by the Portfolio Fund.  
The Portfolio Fund also pays the Distributors an annual fee in recognition of certain distribution services provided by the Distributors. See Note 9 for the annual rates paid (as a percent of average assets) by the Portfolio Fund.
- (e) GST/HST paid by the Portfolio Fund on its expenses is not recoverable.
- (f) Other expenses are comprised of interest and borrowing charges and other miscellaneous expenses.
- (g) The Manager may, at its discretion, pay certain expenses of the Portfolio Fund so the Portfolio 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 Portfolio Fund, determined for the purchase and redemption of units in accordance with the Portfolio 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. However, because the Portfolio Fund invests only in Underlying Funds, which only have one quoted market price each per valuation day, there is not expected to be a significant difference between pricing NAV per unit and net assets per unit for GAAP purposes. See Note 9 for the net asset values per unit as of March 31, 2010, March 31, 2009, and September 30, 2008, for the Portfolio Fund.

**5. INCOME TAXES**

The Portfolio 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 Portfolio Fund for tax purposes is December 31. It is the intention of the Portfolio Fund to distribute sufficient net income and net realized capital gains, as required, so that the Portfolio Fund will not pay income taxes other than refundable tax on capital gains, if applicable.

See Note 9 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. CONTINGENT LIABILITY**

Agreements between the individual members of the Portfolio Fund's IRC and the Trustee, on behalf of the Portfolio Fund, provide for the indemnification of each IRC member by the Portfolio 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 Portfolio 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.

**7. FINANCIAL INSTRUMENT RISK**

The Portfolio Fund's investment activities expose it to a variety of financial risks. The Statement of Investments presents the Underlying Funds held by the Portfolio Fund and the effective asset allocation through indirect holdings of the Underlying Funds, including the related exposure to financial instrument risk, as at the end of the period.

**(a) Risk Management**

The Portfolio Fund employs a passive investment strategy whereby investments in Underlying Funds are based on target asset weightings. The target weightings allocated to each Underlying Fund and the selection of Underlying Funds are based on several factors, including impact to the Portfolio Fund's volatility and asset class diversification. Significant changes to the selection of Underlying Funds or the target asset weightings attributed to each Underlying Fund require unitholder notification or, possibly, unitholder vote. To assist with managing risk, the Manager also maintains a governance structure that oversees the Portfolio Fund's investment activities and monitors compliance with the Portfolio Fund's stated investment strategy and securities regulations. Financial Statements for the Underlying Funds, which include discussions about their respective risk exposures, are available upon request. See note 8 which describes how to obtain further information.

**(b) Liquidity risk**

The Portfolio Fund is exposed to daily cash redemptions of redeemable units. Except for Investors Real Property Fund, all investments in Underlying Funds are redeemable daily upon demand. Redemptions from Investors Real Property Fund can only be executed twice a month. In addition, the Fund also has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions.

**(c) 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 Portfolio Fund's reporting currency, will fluctuate due to changes in exchange rates. The Portfolio Fund's investments in all Underlying Funds are denominated in Canadian dollars. However, the Underlying Funds are exposed to currency risk to the extent that their investments are denominated or traded in a foreign currency.

Note 9 indicates the Portfolio Fund's sensitivity, if any, to a 5% movement in foreign currencies relative to the Canadian dollar, as a result of its indirect exposure to foreign currencies through investment in the Underlying Funds.

**(d) Interest rate risk**

Interest rate risk arises on interest-bearing financial instruments such as bonds. The Portfolio Fund does not directly hold any interest-bearing financial instruments other than a nominal amount of cash and cash equivalents. The Portfolio Fund is indirectly exposed to the risk that the value of interest-bearing financial instruments held by the Underlying Funds will fluctuate due to changes in the prevailing levels of market interest rates.

Note 9 indicates the Portfolio Fund's sensitivity, if any, to a 1% movement in interest rates, as a result of its indirect exposure through investment in the Underlying Funds.

**(e) 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. For the instruments held by the Portfolio Fund, maximum risk of loss is equivalent to their fair value. The Manager moderates this risk through a careful selection of Underlying Funds within the parameters of the investment strategy. For the Portfolio Fund, the most significant exposure to other price risk, if any, arises from the Underlying Funds' investments in equity securities and related derivative contracts.

Note 9 indicates the Portfolio Fund's sensitivity, if any, to a 10% movement in the prices of equity securities, as a result of its indirect exposure through investment in the Underlying Funds.

**(f) 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 Portfolio Fund. The Portfolio Fund has no significant direct exposure to credit risk. The greatest indirect concentration of credit risk may arise from fixed-income securities, such as bonds, held by Underlying Funds. The Statement of Investments indicates the extent of indirect exposure to credit risk due to fixed-income securities held by Underlying Funds. The fair value of fixed-income securities includes consideration of the creditworthiness of the issuer. The carrying amount of investments represents the maximum credit risk exposure. The carrying amount of other assets of the Portfolio Fund also represents the maximum credit risk exposure, as they will be settled in the short term.

**8. FURTHER INFORMATION AVAILABLE**

A copy of the Portfolio 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). Copies of the financial statements and/or Management Report of Fund Performance for Underlying Funds of the Portfolio Fund may also be requested in the same manner.

# Alto Aggressive Canada Focus Portfolio

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010

## 9. PORTFOLIO FUND SPECIFIC INFORMATION

### (a) Portfolio Fund and series information

Series	Date operations commenced <sup>1</sup>	Deferred sales charge	Distribution fee	Service fee	Administration fee <sup>2</sup>	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%	0.15%	0.30%	0.22%	11.93	8.11	10.67
Series B	n/a	- %	0.15%	0.45%	0.22%	11.81	8.04	10.59
Series C	n/a	up to 5.50%	0.15%	0.50%	0.19%	9.06	6.18	8.13
Series S	n/a	- %	0.15%	- %	0.10%	9.07	6.14	8.06

<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: 0.19%; Series S: 0.10%. Comparative figures for the period ended September 30, 2008 were: Series A: 0.20%; Series B: 0.20%; Series C: 0.17%; Series S: 0.10%.

### (b) Income tax losses (\$ 000)

Total capital loss	Total non-capital loss	Expiration year for non-capital losses						
		2029	2028	2027	2026	2015	2014	2010
-	1	-	-	-	-	-	-	1

### (c) Financial instrument risk

#### (i) Currency risk

As of March 31, 2010, had the Canadian dollar strengthened or weakened by 5% relative to all foreign currencies, all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$687,000 or 1.9% of total net assets (March 31, 2009 – approximately \$376,000 or 1.8%, September 30, 2008 – approximately \$430,000 or 1.9%). In practice, the actual trading results may differ and the difference could be material.

#### (ii) Interest rate risk

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

#### (iii) Other price risk

As of March 31, 2010, had the prices on the respective stock exchanges for the equity securities held by the Underlying Funds increased by 10%, all other variables held constant, net assets would have increased by approximately \$3,413,000 or 9.5% of total net assets (March 31, 2009 – approximately \$1,944,000 or 9.5%, September 30, 2008 – approximately \$2,185,000 or 9.4%). Similarly, had the prices on the respective stock exchanges for these securities decreased by 10%, all other variables held constant, net assets would have decreased by approximately \$3,410,000 or 9.5% of total net assets (March 31, 2009 – approximately \$1,947,000 or 9.5%, September 30, 2008 – approximately \$2,192,000 or 9.5%). In practice, the actual trading results may differ and the difference could be material.

# Alto Aggressive Canada Focus Portfolio

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

MARCH 31, 2010

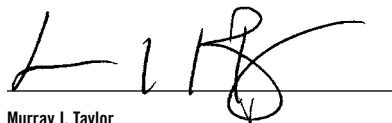
The accompanying financial statements have been prepared by I.G. Investment Management, Ltd., as Manager of the Portfolio Fund. The Manager is responsible for the integrity, objectivity and reliability of the data presented. This responsibility includes selecting appropriate accounting principles and 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 Portfolio 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 Portfolio 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

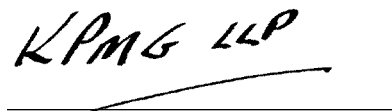
## AUDITORS' REPORT

To the Unitholders of Alto Aggressive Canada Focus Portfolio

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 Portfolio 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 Portfolio Fund as of March 31, 2010, the net assets of the Portfolio 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