
Investors Canadian Corporate Bond Fund

Interim Financial Statements

FOR THE SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2011

The accompanying interim financial statements have not been reviewed by the external auditors of the Fund. The external auditors will be auditing the annual financial statements of the Fund as at March 31, 2012, in accordance with Canadian generally accepted auditing standards.

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Investors Canadian Corporate Bond Fund

INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

STATEMENTS OF NET ASSETS

at September 30, 2011 (unaudited)
(in \$ 000 except per unit amounts)

	September 30 2011
Assets:	
Investments	629,092
Cash and short-term investments	20,566
Accrued interest and dividends receivable	4,323
Taxes recoverable (payable)	-
Accounts receivable for securities sold	-
Due from brokers	-
Due from manager	3
Due from other funds	-
Net margin on futures contracts	-
Unrealized gains on forward contracts and other derivatives	-
Other assets	-
	24,892
Total assets	653,984
Liabilities:	
Bank overdraft	-
Due to brokers	-
Accounts payable for securities redeemed	-
Accrued expenses	2
Due to other funds	-
Liability for options written	-
Unrealized losses on forward contracts and other derivatives	-
Income payable and other liabilities	17
Total liabilities	19
Net assets	653,965

Net assets per series, end of period

Mutual Fund Units	9,392
Series Z	644,573

Net assets per unit, end of period

Mutual Fund Units	10.24
Series Z	10.24

STATEMENTS OF OPERATIONS

for the six-month period ended September 30 (unaudited)
(in \$ 000 except per unit amounts)

	2011
Income:	
Dividends	-
Trust income	-
Interest and other income	9,485
Income (loss) from derivatives	-
Securities lending	-
Foreign withholding taxes	-
	9,485
Expenses:	
Management fees	4,286
Management fee rebates	-
Service fees	-
Service fee rebates	-
Mortgage administration and servicing fees	12
Administration fees	2
Trustee fees	134
Goods and services tax / Harmonized sales tax	417
Independent Review Committee costs	1
Other	1
	4,853
Expense reductions	-
	4,853
Net income (loss)	4,632
Realized gain (loss)	5,245
Unrealized gain (loss)	10,645
Commissions and other portfolio transaction costs	-
Net realized and unrealized gain (loss)	15,890
from investments and foreign exchange	15,890
Net increase (decrease) in net assets	20,522
from operations	20,522

Net increase (decrease) in net assets from operations per series

Mutual Fund Units	95
Series Z	20,427

Net increase (decrease) in net assets from operations per unit

Mutual Fund Units	0.31
Series Z	0.31

Investors Canadian Corporate Bond Fund

INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

STATEMENTS OF CHANGES IN NET ASSETS

for the six-month period ended September 30 (unaudited) (in \$ 000 except when stated)

	MUTUAL FUND UNITS	SERIES Z	TOTAL
	2011	2011	2011
Net assets, beginning of period	-	-	-
Increase (decrease) in net assets resulting from:			
Operations	95	20,427	20,522
Distributions:			
Income	(44)	(4,419)	(4,463)
Capital gains	-	-	-
Management fee rebates	-	-	-
Service fee rebates	-	-	-
Total distributions	(44)	(4,419)	(4,463)
Unit transactions:			
Proceeds from sale of units	10,501	753,670	764,171
Reinvested from distributions	26	4,419	4,445
Payment on redemption of units	(1,186)	(129,524)	(130,710)
Total unit transactions	9,341	628,565	637,906
Increase (decrease) in net assets	9,392	644,573	653,965
Net assets, end of period	9,392	644,573	653,965
Increase (decrease) in units (in thousands):			
Units outstanding, beginning of period	-	-	-
Add (deduct):			
Units sold	1,030	75,125	
Reinvested from distributions	3	432	
Units redeemed	(116)	(12,634)	
Units outstanding, end of period	917	62,923	

See accompanying notes to financial statements.

Investors Canadian Corporate Bond Fund

INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

STATEMENT OF INVESTMENTS

at September 30, 2011 (unaudited)

	Country	Sector	Principal or Par Value	Cost ¹ (\$ 000)	Fair Value (\$ 000)
MORTGAGES	Canada	See Schedules 1 to 5	52,987,748	53,885	53,792
FIXED INCOME					
Algonquin Power & Utilities Corp. 5.50% 07-25-2018 Callable	Canada	Corporate - Non Convertible	4,000,000	3,993	4,171
Bank of America Corp. 4.36% 09-21-2015	United States	Corporate - Non Convertible	2,000,000	1,845	1,858
Bank of Montreal 3.49% 06-10-2016 Callable	Canada	Corporate - Non Convertible	27,000,000	27,189	28,185
Bank of Montreal 6.02% 05-02-2018	Canada	Corporate - Non Convertible	27,000,000	30,658	31,875
The Bank of Nova Scotia 3.34% 03-25-2015	Canada	Corporate - Non Convertible	20,000,000	20,294	20,799
The Bank of Nova Scotia 3.61% 02-22-2016	Canada	Corporate - Non Convertible	20,000,000	20,304	20,990
Baytex Energy Corp. 9.15% 08-26-2016 Callable	Canada	Corporate - Non Convertible	4,100,000	4,539	4,421
Bell Aliant Regional Communications LP 4.88% 04-26-2018	Canada	Corporate - Non Convertible	10,000,000	10,099	10,504
Bell Canada 3.65% 05-19-2016	Canada	Corporate - Non Convertible	8,500,000	8,494	8,816
Bell Canada 4.40% 03-16-2018	Canada	Corporate - Non Convertible	15,000,000	15,173	15,864
Brookfield Renewable Power Inc. 6.132% 11-30-2016	Canada	Corporate - Non Convertible	5,000,000	5,564	5,546
Caisse Centrale Desjardins F/R 02-11-2014	Canada	Corporate - Non Convertible	10,000,000	10,024	9,952
Canada Housing Trust 2.95% 03-15-2015	Canada	Federal Government	31,000,000	31,529	32,634
Canada Housing Trust 2.75% 06-15-2016	Canada	Federal Government	10,000,000	9,965	10,486
Canadian Imperial Bank of Commerce F/R 05-08-2013	Canada	Corporate - Non Convertible	8,000,000	8,000	7,971
Canadian Imperial Bank of Commerce 3.05% 06-03-2013	Canada	Corporate - Non Convertible	12,000,000	12,241	12,281
Canadian Imperial Bank of Commerce 3.30% 11-19-2014	Canada	Corporate - Non Convertible	10,000,000	10,160	10,381
Canadian Imperial Bank of Commerce 3.10% 03-02-2015	Canada	Corporate - Non Convertible	10,000,000	10,060	10,305
Canadian Imperial Bank of Commerce 3.40% 04-14-2016	Canada	Corporate - Non Convertible	24,000,000	24,157	24,961
City of Edmonton 9.00% 03-25-2013	Canada	Municipal Governments	10,000,000	11,271	11,129
Enbridge Inc. F/R 08-19-2015	Canada	Corporate - Non Convertible	4,600,000	4,600	4,584
Financement-Quebec F/R 06-02-2016	Canada	Provincial Governments	11,000,000	11,005	10,912
Flint Energy Services Ltd. 7.50% 06-15-2019 Callable 2015	Canada	Corporate - Non Convertible	3,000,000	2,970	2,925
Ford Credit Canada Ltd. 4.875% 03-17-2014	Canada	Corporate - Non Convertible	4,000,000	4,021	3,977
Golden Credit Card Trust 3.51% 05-15-2016	Canada	Corporate - Non Convertible	15,000,000	15,098	15,678
Government of Canada 3.75% 06-01-2019	Canada	Federal Government	32,000,000	33,552	36,297
Intact Financial Corp. 4.70% 08-18-2021	Canada	Corporate - Non Convertible	9,000,000	8,995	9,100
Inter Pipeline Fund 3.839% 07-30-2018	Canada	Corporate - Non Convertible	5,000,000	5,000	5,174
Manitoba Telecom Services Inc. 4.59% 10-01-2018 Callable	Canada	Corporate - Non Convertible	500,000	500	505
Manulife Financial Corp. 4.896% 06-02-2014	Canada	Corporate - Non Convertible	8,300,000	8,702	8,740
Master Credit Card Trust 3.502% 05-21-2016	Canada	Corporate - Non Convertible	18,500,000	18,614	19,323
Precision Drilling Corp. 6.50% 03-15-2019 Callable	Canada	Corporate - Non Convertible	3,500,000	3,559	3,461
Quebecor Media Inc. 7.375% 01-15-2021 Callable	Canada	Corporate - Non Convertible	4,325,000	4,351	4,235
Rogers Communications Inc. 5.34% 03-22-2021 Callable	Canada	Corporate - Non Convertible	15,000,000	15,217	15,714
Royal Bank of Canada 3.36% 01-11-2016	Canada	Corporate - Non Convertible	25,000,000	25,114	25,981
Royal Bank of Canada 3.03% 07-26-2016	Canada	Corporate - Non Convertible	10,000,000	9,996	10,223
Royal Bank of Canada 3.77% 03-30-2018	Canada	Corporate - Non Convertible	19,000,000	19,064	20,157
Savanna Energy Services Corp. 7.00% 05-25-2018 Callable 2014	Canada	Corporate - Non Convertible	3,500,000	3,500	3,401
Sherritt International Corp. 8.25% 10-24-2014	Canada	Corporate - Non Convertible	2,400,000	2,605	2,526
TELUS Corp. 3.65% 05-25-2016	Canada	Corporate - Non Convertible	11,000,000	10,959	11,374
Thomson Reuters Corp. 6.00% 03-31-2016	Canada	Corporate - Non Convertible	10,000,000	11,144	11,354
The Toronto-Dominion Bank 4.854% 02-13-2013	Canada	Corporate - Non Convertible	13,000,000	13,640	13,591
The Toronto-Dominion Bank 2.948% 08-02-2016	Canada	Corporate - Non Convertible	20,000,000	20,000	20,395
Vermilion Energy Inc. 6.50% 02-10-2016 Callable 2014	Canada	Corporate - Non Convertible	2,000,000	2,030	2,019
YPG Holdings Inc. 5.71% 04-21-2014	Canada	Corporate - Non Convertible	3,000,000	2,831	1,170
YPG Holdings Inc. 5.25% 02-15-2016	Canada	Corporate - Non Convertible	1,850,000	1,544	731
				534,170	546,676
EQUITIES					
IG Putnam U.S. High Yield Income Fund Series P	n/a	Mutual Funds	3,067,034	30,392	28,624
TOTAL INVESTMENTS				618,447	629,092
Net Assets:					
Total investments					629,092
Cash and short-term investments					20,566
Other net assets (liabilities)					4,307
					653,965

¹ Amortized cost for mortgages and average cost for other securities
See accompanying notes to financial statements.

Investors Canadian Corporate Bond Fund

INTERIM FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

Schedule 1 - Distribution of Mortgages by Interest Rate

at September 30, 2011 (unaudited)

Rate	Number of loans	Principal value outstanding (\$ 000)	Amortized cost (\$ 000)	Fair value (\$ 000)
2.251 to 2.500	8	1,269	1,258	1,255
2.501 to 2.750	16	1,179	1,180	1,176
2.751 to 3.000	31	3,022	3,031	3,020
3.001 to 3.250	43	4,922	4,950	4,928
3.251 to 3.500	41	4,455	4,489	4,473
3.501 to 3.750	53	9,361	9,445	9,431
3.751 to 4.000	87	11,325	11,464	11,457
4.001 to 4.250	38	5,131	5,245	5,242
4.251 to 4.500	32	4,365	4,505	4,502
4.501 to 4.750	19	3,693	3,846	3,844
4.751 to 5.000	19	2,770	2,897	2,892
5.001 to 5.250	6	673	709	709
5.251 to 5.500	3	537	565	563
5.501 to 5.750	1	286	301	300
	397	52,988	53,885	53,792

The rates used for determining market value of NHA and conventional loans at September 30, 2011, were as follows:

Term	Residential rate
6 month (open)	6.50%
6 month (closed)	4.28%
0 - 12 months (open)	6.30%
0 - 12 months (closed)	2.75%
13 - 24 months	2.87%
25 - 36 months	3.29%
37 - 48 months	3.39%
49 - 60 months	3.73%
61 - 84 months	6.50%
85 - 120 months	6.75%

Schedule 2 - Distribution of Mortgages by Geographic Location

at September 30, 2011 (unaudited)

	Number of loans	Principal value outstanding (\$ 000)	Fair value (\$ 000)	Percentage total fair value (%)
British Columbia	41	6,083	6,185	11.5
Alberta	47	7,708	7,834	14.6
Saskatchewan	23	3,894	3,974	7.4
Manitoba	27	2,741	2,774	5.2
Ontario	147	21,052	21,325	39.6
Quebec	85	8,737	8,875	16.5
New Brunswick	12	988	1,002	1.9
Nova Scotia	7	737	756	1.4
Newfoundland and Labrador	8	1,048	1,067	2.0
	397	52,988	53,792	100.0

Schedule 3 - Distribution of Mortgages by Type of Construction

at September 30, 2011 (unaudited)

	Number of loans	Principal value outstanding (\$ 000)	Amortized cost (\$ 000)	Fair value (\$ 000)	Percentage total fair value (%)
Single Family Dwelling	352	48,044	48,872	48,786	90.7
Condominiums	43	4,664	4,722	4,715	8.8
Multi-unit Dwelling up to 8 units	2	280	291	291	0.5
	397	52,988	53,885	53,792	100.0

Schedule 4 - Distribution of Mortgages by Year of Maturity

at September 30, 2011 (unaudited)

	Number of loans	Principal value outstanding (\$ 000)	Fair value (\$ 000)	Percentage total fair value (%)
2012	20	1,416	1,418	2.6
2013	80	7,387	7,464	13.9
2014	83	10,974	11,083	20.6
2015	90	14,777	15,026	27.9
2016	124	18,434	18,801	35.0
	397	52,988	53,792	100.0

Schedule 5 - Distribution of Mortgages by Type of Insurance

at September 30, 2011 (unaudited)

	Number of loans	Principal value outstanding (\$ 000)	Fair value (\$ 000)	Percentage total fair value (%)
Insured by National Housing Act (Canada)	397	52,988	53,792	100.0

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 commenced operations on May 2, 2011. The Fund is authorized to issue an unlimited number of units of multiple series. If issued, Series 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 period ended September 30, 2011. Statement of Operations and Changes in Net Assets are presented for the period from May 2, 2011 to September 30, 2011.

(b) Fund and series information

Series	Date operations commenced ¹	Deferred sales charge (%)	Management fee (%)	Service fee (%)	Administration fee (%)	Trustee fee (%)	Net asset value per unit (\$)
							as at September 30 2011
Mutual Fund Units	May 2, 2011	up to 5.50	1.60	-	0.10	0.05	10.26
Series Z	May 2, 2011	-	1.60	-	-	0.05	10.26

¹ If within the two financial periods ended September 30, 2011.

(c) 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 at the end of the period, 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 notes to these interim financial statements may be presented in a condensed or summarized format. 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 9 for the fair value classification of financial instruments as at the end of the period.

(i) Bonds

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. 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) Mortgages

All mortgage loans, other than impaired loans, are recorded at fair value, which is the principal amount required to produce a yield to maturity equal to or not less than one-quarter of one percent below the interest rate at which major lending institutions are making commitments on the date of valuation. Amortized cost is the principal cost of mortgages purchased net of amortized premium or discount. All mortgages are subject to pre-payment with appropriate penalties being remitted. A loan is considered impaired when, in the opinion of the Manager, there is no longer reasonable assurance of the timely collection of the full amount of principal and interest. An uninsured loan is classified as impaired when principal or interest is contractually past due 90 days, whereas an insured loan is classified as impaired when principal or interest is contractually past due 365 days. Loans in these two situations will not be considered to be impaired in circumstances where the Manager has determined that the collectibility of principal and interest is not in doubt. Impaired loans are recorded at the lesser of amortized cost or fair value unless, in the opinion of the Manager, collectibility of principal is in doubt, in which event such loans shall be recorded at their estimated net realizable values. These values are established as a result of reviews of individual loans. Once a loan is classified as impaired, any uncollected interest is reversed and charged against income in the current period. Thereafter, interest income is recognized on a cash basis. As of September 30, 2011, there were no loans held by the Fund which were considered impaired, and therefore there was no allowance for credit losses.

(b) Cash and short-term investments

Cash and short-term investments are comprised of cash on deposit and short-term investments with terms to maturity of less than one year at acquisition. Cash and short-term investments are carried at fair value.

(c) Currency

All amounts are expressed in Canadian dollars. 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. Interest income is based on the number of days the investment is held during the period.

(e) Securities lending and repurchase transactions

The Fund is 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. Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments, and financial institutions.

(\$ 000)	Value of securities loaned	Value of collateral received
September 30, 2011	-	-

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(f) Per unit information**

- (i) Net assets per unit is computed by dividing the net assets attributable to a 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

Other assets are comprised of unapplied mortgage purchases, CMHC foreclosure claims and miscellaneous receivables. Other liabilities is primarily comprised of property tax reserves. For the purposes of categorization in accordance with Section 3855, accrued interest and dividends receivable, receivables for securities issued, amounts due from brokers and 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) Future accounting changes

As previously confirmed by the Canadian Accounting Standards Board ("AcSB"), most Canadian publicly accountable entities adopted all International Financial Reporting Standards ("IFRS"), as published by the International Accounting Standards Board, on January 1, 2011. However, the AcSB has allowed most investment funds to defer adoption of IFRS until fiscal years beginning on or after January 1, 2013. Accordingly, the Fund will adopt IFRS for its fiscal period beginning April 1, 2013, and will issue its initial financial statements in accordance with IFRS, including comparative information, for the interim period ending September 30, 2013.

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 1 for the annual rate 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 1 for the annual rates paid (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 prospectuses. 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. See Note 1 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 1 for the annual rate paid (as a percent of average assets) to the Trustee by the Fund.
- (f) The Fund pays the Manager a mortgage administration and servicing fee of up to 0.15% annually, applicable to the value of mortgages held by the Fund that are originated and serviced by the Manager.
- (g) GST/HST paid by the Fund on its expenses is not recoverable.
- (h) Other expenses are comprised of interest and borrowing charges and other miscellaneous expenses.
- (i) 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 period have been identified in the Statement of Operations.

4. NET ASSET VALUE PER UNIT

Net asset value (or "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 Statements 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 1 for the net asset values per unit as of September 30, 2011, 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. 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.

6. TRANSACTIONS WITH THE FUND MANAGER

During the period, the Fund acquired mortgages from the Manager valued at \$53,886,000 at time of purchase. The fair value of the mortgages at acquisition was calculated using the Modified Lender's Rate method. Under the terms of the transaction, the Manager retains the credit risk exposure associated with these mortgages.

7. CONTINGENT LIABILITY

Agreements between the individual members of the Fund's IRC and the Trustee, on behalf of the Fund, provide 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 investment portfolio of the Fund as at the end of the period.

(a) 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, monitoring of the Fund's positions and market events, and diversifying the investment portfolio within the constraints of the investment objective. To assist in managing risk, the Manager also uses internal guidelines that identify the target exposures for each type of risk, maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy, internal guidelines and securities regulations.

The Fund invests primarily in Canadian corporate investment grade debt securities, with some exposure to high-yielding debt instruments rated below "BBB" or its equivalent including U.S. high yield debt securities, and up to 10% exposure to Canadian mortgages.

(b) Liquidity risk

The Fund is exposed to daily cash redemptions of redeemable units. The corporate and government-issued debt securities held by the Fund are liquid (i.e. investments that are traded in an active market and can be readily sold). Mortgages can be disposed within a short period of time, but are not as liquid as bonds. In addition, the Fund retains sufficient cash and short-term investments 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.

8. FINANCIAL INSTRUMENT RISK (continued)
(c) Interest rate risk

Interest rate risk arises on interest-bearing financial instruments such as bonds and mortgages and, indirectly, through investments in other funds. 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 short-term investments and other money market instruments are short term in nature and are not generally subject to significant amounts of interest rate risk. The table below summarizes the Fund's exposure, directly and indirectly, through investments in other funds to interest rate risk by remaining term to maturity.

as at September 30, 2011 (\$ 000)	Less than 1 year	1 - 5 years	5 - 10 years	> 10 years	Total
Bonds	135	383,705	187,910	1,469	573,220
Mortgages	1,291	52,501	-	-	53,792
Total	1,426	436,206	187,910	1,469	627,012

As of September 30, 2011, had prevailing interest rates increased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased by approximately \$26,148,000 or 4.0% of total net assets. Similarly, had prevailing interest rates decreased by 1%, assuming a parallel shift in the yield curve, all other variables held constant, net assets would have increased by approximately \$26,213,000 or 4.0% of total net assets. The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio and a valuation model which estimates the impact to the fair value of mortgages based on changes in prevailing interest rates in a manner consistent with the valuation policy for mortgages. In practice, the actual trading results may differ and the difference could be material.

(d) 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.

All transactions in listed securities are settled/paid 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.

Legislation requires that any mortgage loan with a loan to value ratio greater than 80% at time of funding must be insured by an approved mortgage default insurance provider. The manager may also, on a case by case basis, utilize mortgage default insurance to mitigate any unique or unusual risk associated with the nature or the location of property pledged as security. In either case, the mortgage default insurance provides coverage on any losses incurred in the event of credit default resulting from the enforcement and disposition of the property. Schedules 5 and 6 to the Statement of Investments provides information on the type of mortgage insurance in place and the value and number of mortgages in arrears by 90 days or more. Due to the quality of mortgages held, defaults and other credit losses are not considered a significant risk to the Fund.

The fair value of fixed-income securities includes consideration of the creditworthiness of the issuer. The maximum exposure to any one issuer as of September 30, 2011 was 12.1% of the net assets of the Fund.

The table below summarizes the bonds by credit rating:

September 30, 2011	Percent of total bonds (%)	Percent of total net assets (%)
AAA	24.6	20.6
AA	47.4	39.6
A	15.1	12.6
BBB	8.0	6.7
less than BBB	4.9	4.1
Total	100.0	83.6

Credit ratings are based on DBRS, Standard & Poor's or Moody's ratings.

9. 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.

Mortgages are valued by discounting the expected future cash flows at observable market rates for loans with similar credit risk and maturity.

as at September 30, 2011 (\$ 000)	Level 1	Level 2	Level 3	Total
Fixed income	21,530	578,938	-	600,468
Equities	28,624	-	-	28,624
Total investments	50,154	578,938	-	629,092
Short-term investments	-	20,000	-	20,000
Derivative assets	-	-	-	-
Derivative liabilities	-	-	-	-
Total	50,154	598,938	-	649,092

During the period, there were no significant transfers between Level 1 and Level 2.

10. 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).