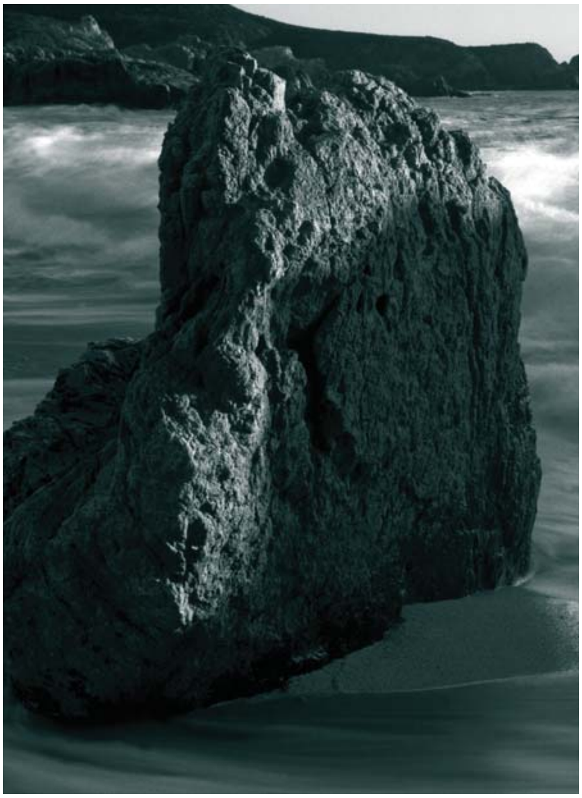


STRENGTH | FOCUS | GROWTH

IGM Financial

FIRST QUARTER REPORT

FOR THE THREE MONTHS ENDED MARCH 31, 2008

Caution Regarding Forward-Looking Statements

This report may contain forward-looking statements about the Company, including its business operations, strategy and expected financial performance and condition. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could". In addition, any statement that may be made concerning future financial performance (including revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future Company action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company, economic factors and the financial services industry generally. They are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied by forward-looking statements made by the Company due to, but not limited to, important factors such as general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, management of market liquidity and funding risks, changes in accounting policies and methods used to report financial condition, including uncertainties associated with critical accounting assumptions and estimates, the effect of applying future accounting changes, business competition, technological change, changes in government regulations and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, the Company's ability to complete strategic transactions and integrate acquisitions and the Company's success in anticipating and managing the foregoing risks. The reader is cautioned that the foregoing list of important factors is not exhaustive. The reader is also cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements. Other than as specifically required by applicable law, the Company has no specific intention to update any forward-looking statements whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

This report contains non-GAAP financial measures. Terms by which non-GAAP financial measures are identified include but are not limited to "Earnings before interest and taxes (EBIT)" and "Earnings before interest, taxes, depreciation and amortization (EBITDA)". Non-GAAP financial measures are used to provide management, investors and investment analysts with additional measures to evaluate and analyze the Company's results. However, these non-GAAP financial measures do not have a standard meaning and are not directly comparable to similar measures used by other companies and may not be directly comparable to any prescribed GAAP measure. Please refer to the appropriate reconciliations of these non-GAAP financial measures to measures prescribed by GAAP.

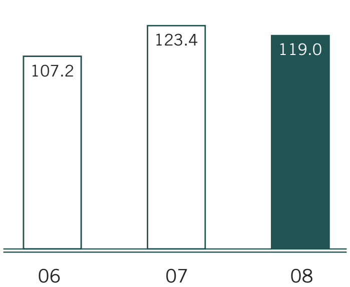
FINANCIAL HIGHLIGHTS

As at and for the three months ended March 31 (*unaudited*)	2008	2007	CHANGE
Net income *($ millions)*	**$ 211.2**	$ 210.5	**0.3%**
Diluted earnings per share	**0.79**	0.79	**–**
Return on equity	**20.2%**	21.6%	
Dividends per share	**0.4875**	0.4275	**14.0**
Total assets under management[1] *($ millions)*	**$ 118,957**	$ 123,414	**(3.6)%**
Investors Group			
Mutual funds	**58,582**	60,179	**(2.7)**
Mackenzie			
Mutual funds	*44,555*	*47,823*	
Sub-advisory, institutional and other accounts	16,325	*15,828*	
Total	**60,880**	63,651	**(4.4)**
Counsel Group of Funds			
Mutual funds	**2,180**	2,296	**(5.1)**

For the three months ended March 31, 2008	INVESTORS GROUP	MACKENZIE	COUNSEL GROUP OF FUNDS	TOTAL[2]
Mutual Funds and Institutional Sales *($ millions)*				
Gross sales	**$ 1,953**	**$ 3,136**	**$ 84**	**$ 5,101**
Net sales	**510**	**(102)**	**3**	**397**

Total Assets under Management

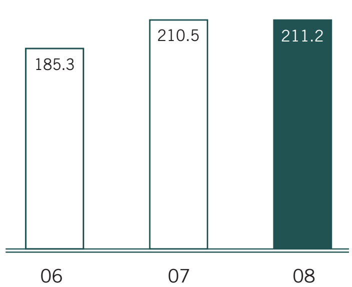
As at March 31 *($ billions)*



Net Income

For the three months ended March 31

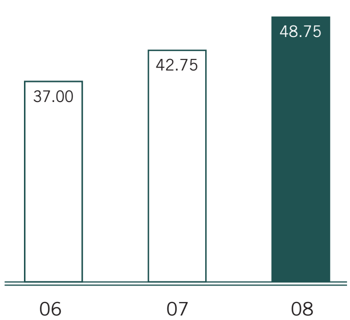
($ millions)



Dividends per Share

For the three months ended March 31

(cents)



(1) Total assets under management excludes $2.7 billion of assets sub-advised by Mackenzie on behalf of Investors Group ($2.7 billion at March 31, 2007) and is adjusted for $28 million in inter-segment assets ($35 million at March 31, 2007).

(2) Total Gross Sales and Net Sales exclude $72 million and $14 million respectively in accounts sub-advised by Mackenzie on behalf of Investors Group.

REPORT TO SHAREHOLDERS

FINANCIAL RESULTS

Net income for the three months ended March 31, 2008 was $211.2 million compared to $210.5 million in 2007. Earnings per share were 79 cents unchanged from the prior year.

Gross revenues for the three months ended March 31, 2008 were $714.7 million, compared to $720.8 million in the prior year. Operating expenses were $424.4 million for the quarter, compared to $410.5 million in 2007.

Total assets under management at March 31, 2008 were $119.0 billion. This compared with total assets under management of $123.4 billion at March 31, 2007, a decrease of 3.6%.

INVESTORS GROUP OPERATIONS

The number of Investors Group Consultants was 4,342 at March 31, 2008 up from 4,331 at December 31, 2007 and up 9% from 3,985 at March 31, 2007.

Mutual fund sales for the first quarter were $2.0 billion compared to $2.3 billion in the prior year and mutual fund net sales for the first quarter were $510 million compared to $1.0 billion a year ago.

Investors Group's twelve month trailing redemption rate (excluding money market funds) was 7.4% at March 31, 2008, compared to 7.3% at December 31, 2007 and down from 7.7% at March 31, 2007.

Investors Group's mutual fund assets under management at March 31, 2008 were $58.6 billion compared to $60.2 billion at March 31, 2007, a decrease of 2.7%.

MACKENZIE OPERATIONS

Total sales for first quarter of 2008 were $3.1 billion compared to $3.7 billion in the prior year. Total net redemptions for the first quarter were $102 million compared to net sales of $605 million in the prior year.

Mackenzie's total assets under management at March 31, 2008 totalled $60.9 billion. This compares with assets under management of $63.7 billion at March 31, 2007, a decrease of 4.4%. Mutual fund assets under management at March 31, 2008 were $44.6 billion, a decrease of 6.8% from one year ago.

INVESTMENT PLANNING COUNSEL OPERATIONS

Assets under administration were $12.6 billion as at March 31, 2008, an increase of 15.6%, compared to $10.9 billion at March 31, 2007. Counsel Group of Funds mutual fund assets under management at March 31, 2008 were $2.2 billion compared to $2.3 billion at March 31, 2007.

Mutual fund sales of the Counsel Group of Funds for the first quarter of 2008 were $84 million compared to $134 million in 2007 and mutual fund net sales were $3 million compared to $75 million in the prior year.

DIVIDENDS

The Board of Directors declared a quarterly dividend of $0.359375 per share on the Company's 5.75% Non-Cumulative First Preferred Shares, Series "A" payable on June 30, 2008 to shareholders of record on May 30, 2008 and has declared a dividend of 48.75 cents per share on the Company's common shares payable on July 25, 2008 to shareholders of record on June 23, 2008.

On behalf of the Board of Directors,

Murray J. Taylor
Co-President and
Chief Executive Officer
IGM Financial Inc.

Charles R. Sims
Co-President and
Chief Executive Officer
IGM Financial Inc.

May 2, 2008

The Management's Discussion and Analysis (MD&A) presents management's view of the operations and financial condition of IGM Financial Inc. (IGM Financial or the Company) as at and for the three months ended March 31, 2008, compared with the same period in 2007, and should be read in conjunction with the 2007 IGM Financial Inc. Annual Report filed on www.sedar.com. Commentary in the MD&A as at and for the three months ended March 31, 2008 is as of April 30, 2008.

FORWARD-LOOKING INFORMATION

This report may contain forward-looking statements about IGM Financial, including its business operations, strategy and expected financial performance and condition. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could". In addition, any statement that may be made concerning future financial performance (including revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future Company action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company, economic factors and the financial services industry generally. They are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied by forward-looking statements made by the Company due to, but not limited to, important factors such as general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, management of market liquidity and funding risks, changes in accounting policies and methods used to report financial condition, including uncertainties associated with critical accounting assumptions and estimates, the effect of applying future accounting changes, business competition, technological change, changes in government regulations and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, the Company's ability to complete strategic transactions and integrate acquisitions and the Company's success in anticipating and managing the foregoing risks. The reader is cautioned that the foregoing list of important factors is not exhaustive. The reader is also cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements. Other than as specifically required by applicable law, the Company has no specific intention to update any forward-looking statements whether as a result of new information, future events or otherwise.

IGM Financial Inc.

Summary of Consolidated Operating Results

Net income for the three months ended March 31, 2008 was $211.2 million compared to $210.5 million in 2007. Diluted earnings per share were 79 cents, unchanged from the prior year.

Shareholders' equity was $4.2 billion as at March 31, 2008, unchanged from December 31, 2007. Return on average common equity for the three months ended March 31, 2008 was 20.2% compared with 21.6% for the same period in 2007. The quarterly dividend per common share of 48.75 cents declared in the first quarter of 2008 represented an increase of 2.75 cents or 6.0% from the 46.00 cent dividend declared in the fourth quarter of 2007.

NON-GAAP FINANCIAL MEASURES

Earnings before interest and taxes (EBIT) and earnings before interest, taxes, depreciation and amortization (EBITDA) are non-GAAP financial measures. EBIT and EBITDA are alternative measures of performance utilized by management, investors and investment analysts to evaluate and analyze the Company's results. EBITDA is discussed further in the Consolidated Liquidity section later in this MD&A. These non-GAAP financial measures do not have standard meanings and are not directly comparable to any GAAP measure or to similar measures used by other companies.

The reconciliation of non-GAAP results to reported results in accordance with GAAP related to EBITDA is provided in Table 1. The reconciliation of non-GAAP results to reported results in accordance with GAAP related to EBIT is provided in Table 2.

REPORTABLE SEGMENTS

IGM Financial's reportable segments, which reflect the current organizational structure, are:

- Investors Group
- Mackenzie
- Corporate and Other.

Management measures and evaluates the performance of these segments based on EBIT as shown in Table 2.

Discussion of Investors Group and Mackenzie Segment Operating Results is contained in their respective sections of this MD&A.

The Corporate and Other segment includes operating results for Investment Planning Counsel, net investment income earned on unallocated investments and other income as well as inter-segment eliminations.

Earnings before interest and taxes for Corporate and Other were $14.9 million for the three months ended March 31, 2008 compared to $15.5 million in 2007. Earnings before interest and taxes related to Investment Planning Counsel were $1.2 million lower than 2007. Net investment income on unallocated investments increased by $0.4 million in 2008 compared with 2007.

Certain items reflected in Table 2 are not allocated to segments:

- *Interest expense* – Represents the interest expense on the remaining debt issued pursuant to the Mackenzie acquisition as well as dividends paid on the outstanding preferred shares. Interest expense on long-term debt totalled $16.8 million for the three months ended March 31, 2008 compared with $16.7 million in 2007. Dividends paid on preferred shares were $5.2 million in both 2008 and 2007.

TABLE 1: RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Three months ended March 31 (*$ millions*)	**2008**	2007
EBITDA – Non-GAAP measure	**$ 404.6**	$ 422.6
Commission amortization	**(81.5)**	(80.7)
Amortization of capital assets and intangible assets	**(6.7)**	(5.7)
Interest expense on long-term debt and dividends on preferred shares	**(26.1)**	(25.9)
Income before income taxes and non-controlling interest	**290.3**	310.3
Income taxes	**(78.6)**	(99.1)
Non-controlling interest	**(0.5)**	(0.7)
Net income – GAAP	**$ 211.2**	$ 210.5

TABLE 2: CONSOLIDATED OPERATING RESULTS BY SEGMENT

Three months ended March 31 ($ millions)	INVESTORS GROUP 2008	2007	MACKENZIE 2008	2007	CORPORATE & OTHER 2008	2007	TOTAL 2008	2007
Fee income	**$ 369.3**	$ 362.6	**$ 244.1**	$ 259.7	**$ 40.4**	$ 35.5	**$ 653.8**	$ 657.8
Net investment income and other	**42.9**	45.8	**6.9**	6.6	**11.1**	10.6	**60.9**	63.0
	412.2	408.4	**251.0**	266.3	**51.5**	46.1	**714.7**	720.8
Operating expenses								
Commissions	**117.8**	111.3	**90.6**	97.7	**26.6**	22.4	**235.0**	231.4
Non-commission	**79.5**	72.9	**77.9**	76.1	**10.0**	8.2	**167.4**	157.2
	197.3	184.2	**168.5**	173.8	**36.6**	30.6	**402.4**	388.6
Earnings before interest and taxes	**$ 214.9**	$ 224.2	**$ 82.5**	$ 92.5	**$ 14.9**	$ 15.5	**312.3**	332.2
Interest expense							**22.0**	21.9
Income before income taxes and non-controlling interest							**290.3**	310.3
Income taxes							**78.6**	99.1
Income before non-controlling interest							**211.7**	211.2
Non-controlling interest							**0.5**	0.7
Net income							**$ 211.2**	$ 210.5

- *Income taxes* – The effective income tax rate for the three months ended March 31, 2008 was 27.1% compared with 31.9% in 2007, as shown in Table 3. The 2008 effective income tax rate was positively impacted by reductions in statutory federal and provincial income tax rates. Tax planning may result in the Company recording lower levels of income taxes. Management monitors the status of its income tax filings, and regularly assesses the overall adequacy of its provision for income taxes and, as a result, income taxes recorded in prior years may be adjusted in the current year. Any changes in management's best estimates are reflected in Other items, which also includes, but is not limited to, the effect of lower effective income tax rates on foreign operations.

TABLE 3: EFFECTIVE INCOME TAX RATE

Three months ended March 31	2008	2007
Income taxes at Canadian federal and provincial statutory rates	**32.44%**	35.21%
Effect of:		
Dividend income	**(0.48)**	(0.13)
Net capital gains and losses	**(0.56)**	(1.00)
Share of earnings of affiliate	**(2.49)**	(2.47)
Preferred dividends paid	**0.59**	0.60
Other items	**(2.44)**	(0.26)
Effective income tax rate	**27.06%**	31.95%

Investors Group
Assets Under Management

The level of assets under management is influenced by three factors: sales, redemptions and net asset values of the funds. The changes in assets under management in 2008 compared with 2007 are reflected in Table 4.

For the three months ended March 31, 2008, sales of Investors Group mutual funds through its Consultant network were $2.0 billion, a decrease of 14.3% from 2007. Mutual fund redemptions, which totalled $1.4 billion for the same period, increased 12.8% from 2007 levels. Investors Group's twelve month trailing redemption rate for long-term funds decreased to 7.4% at March 31, 2008 from 7.7% at March 31, 2007 and remains well below the corresponding average redemption rate of approximately 15.4% for all other members of the Investment Funds Institute of Canada (IFIC) at March 31, 2008. Net sales of Investors Group mutual funds for the three month period ended March 31, 2008 were $510 million compared with net sales of $1.0 billion in 2007, a decrease of 49.0%. Sales of long-term funds were $1.6 billion for the three months ended March 31, 2008, compared with $2.0 billion in 2007, a decrease of 21.0%. Net sales of long-term funds for the three months ended March 31, 2008 were $353 million compared to net sales of $855 million in 2007.

Investors Group's mutual fund assets under management were $58.6 billion at March 31, 2008 as shown in Table 4. During the twelve month period ended March 31, 2008, assets decreased by $1.6 billion or 2.7% comprised of $1.7 billion in net sales and a decrease of $3.3 billion in the net asset values of the funds.

At March 31, 2008, 30% of Investors Masterseries™ mutual funds had four or five star ratings from the Morningstar† fund ranking service and 78% had a rating of three stars or better. This compared to the Morningstar† universe of 31% for four and five star funds and 67% for three stars or better at March 31, 2008. Morningstar Ratings† are an objective, quantitative measure of a fund's three, five and ten year risk-adjusted performance relative to comparable funds.

On January 14, 2008, Investors Group launched the Investors Global Real Estate Fund and Alto Monthly Income and Global Growth Portfolio.

TABLE 4: CHANGE IN MUTUAL FUND ASSETS UNDER MANAGEMENT – INVESTORS GROUP

Three months ended March 31 *($ millions)*	**2008**	2007	CHANGE
Sales	**$ 1,953.3**	$ 2,279.8	(14.3)%
Redemptions	**1,443.0**	1,278.7	12.8
Net sales	**510.3**	1,001.1	(49.0)
Market and income	**(2,122.6)**	962.4	N/M
Net change in assets	**(1,612.3)**	1,963.5	N/M
Beginning assets	**60,193.9**	58,215.8	3.4
Ending assets	**$ 58,581.6**	$ 60,179.3	(2.7)%
Consists of:			
Investors Masterseries™ funds	**$ 50,125.2**	$ 51,538.0	(2.7)%
IG Mackenzie partner funds	**2,654.7**	2,677.9	(0.9)
Partner funds	**5,264.3**	5,380.7	(2.2)
*i*Profile™ funds	**537.4**	582.7	(7.8)
	$ 58,581.6	$ 60,179.3	(2.7)%
Average daily assets	**$ 57,867.7**	$ 58,994.9	(1.9)%

Other Products and Services

SEGREGATED FUNDS

At March 31, 2008, Investors Group offered its clients 22 segregated funds distributed solely by Investors Group Consultants. These segregated funds are underwritten by The Great-West Life Assurance Company and the investment components are managed by Investors Group. At March 31, 2008, total segregated fund assets were $308.3 million compared to $190.4 million at March 31, 2007.

INSURANCE

Investors Group distributes insurance products through I.G. Insurance Services Inc. For the three months ended March 31, 2008, sales of insurance products as measured by new annualized premiums were $10.4 million compared with $8.1 million in 2007. Total face amount of insurance in force at March 31, 2008 was $44.5 billion, an increase of $2.4 billion from March 31, 2007.

SECURITIES OPERATIONS

Investors Group provides securities services to clients through Investors Group Securities Inc. At March 31, 2008, total assets under administration were $5.4 billion.

MORTGAGE OPERATIONS

Investors Group Consultants refer clients who are seeking residential mortgages to Investors Group mortgage planning specialists who originate mortgages in key residential markets. For the three months ended March 31, 2008, mortgage originations were $212 million compared with $269 million in 2007. Through its mortgage banking operations, mortgages are sold to third parties, including bank-sponsored securitization trusts, or placed with Investors Mortgage and Short Term Income Fund or Investors Group's intermediary operations. Investors Group also provides the ongoing servicing of these mortgages.

SOLUTIONS BANKING†

Investors Group's Solutions Banking† initiative continues to experience high rates of utilization by Consultants and clients. The offering consists of a wide range of products and services provided by the National Bank of Canada under a long-term distribution agreement and includes: investment loans, lines of credit, personal loans, creditor insurance, deposit accounts and credit cards.

ADDITIONAL PRODUCTS AND SERVICES

Investors Group also provides its clients with guaranteed investment certificates offered by Investors Group Trust Co. Ltd., as well as a number of other financial institutions.

Consultant Network

Investors Group is focused on growing its distribution network by attracting and training new Consultants as well as retaining existing Consultants. This is discussed more fully in the Investors Group Review of the Business contained in the 2007 IGM Financial Inc. Annual Report. As at March 31, 2008, the number of Consultants totalled 4,342 compared to 4,331 at December 31, 2007 and 3,985 one year ago. The Consultant network has grown in each of the last fifteen consecutive quarters and now stands at its highest level on record. The number of Consultants with more than four years experience was 2,368 compared to 2,327 at December 31, 2007 and 2,263 one year ago.

In 2008, Investors Group announced the addition of five new regional offices located in Winnipeg, Newmarket, Ottawa, Barrie and Edmonton.

Segment Operating Results

Investors Group's earnings from operations before interest and taxes for the three months ended March 31, 2008 compared with 2007 are presented in Table 5.

FEE AND NET INVESTMENT INCOME

Investors Group earns management fees for investment management services provided to its mutual funds. For the three months ended March 31, 2008, management fee income decreased by $5.1 million or 1.8% to $278.9 million consistent with the decrease in average daily mutual fund assets during the quarter compared with 2007. Management fee income represented 194 basis points of average daily mutual fund assets in 2008 compared with 195 basis points in 2007.

Investors Group receives administration fees for providing administrative services to its mutual funds and trusteeship services to its unit trust mutual funds. Administration fees totalled $52.4 million for the three months ended March 31, 2008, up from $48.4 million in 2007. Effective October 1, 2007, Investors Group assumed responsibility for the applicable operating expenses of the funds, other than GST and certain specified fund costs, in return for a fixed rate administration fee established for each fund. The results for the three months ended March 31, 2008 reflect the new fixed rate administration fee and the applicable operating expenses that, prior to October 1, 2007, were borne by the funds.

Distribution fees are earned from:

- Redemption fees on mutual funds sold with a back-end load feature.
- Distribution of insurance products through I.G. Insurance Services Inc.
- Securities trading services provided through Investors Group Securities Inc.
- Banking services provided through Solutions Banking[†], an arrangement with the National Bank of Canada.

Distribution fee income of $38.0 million for the three months ended March 31, 2008 increased by 25.8% from $30.2 million in 2007. Distribution fee income from insurance and banking products increased by $3.0 million in 2008 compared with 2007. Redemption fee income of $13.3 million in 2008 increased from $8.5 million in 2007 due to higher redemptions subject to deferred sales charges in 2008 compared to 2007.

Net investment income represents the difference between investment income and interest expense. Interest expense includes interest on deposit liabilities, bank indebtedness and debt incurred to finance

TABLE 5: OPERATING RESULTS – INVESTORS GROUP

Three months ended March 31 *($ millions)*	**2008**	2007	CHANGE
Fee and net investment income			
Management	**$ 278.9**	$ 284.0	(1.8)%
Administration	**52.4**	48.4	8.3
Distribution	**38.0**	30.2	25.8
	369.3	362.6	1.8
Net investment income and other	**42.9**	45.8	(6.3)
	412.2	408.4	0.9
Operating expenses			
Commissions	**59.6**	53.6	11.2
Asset retention bonus and premium	**58.2**	57.7	0.9
Non-commission	**79.5**	72.9	9.1
	197.3	184.2	7.1
Earnings before interest and taxes	**$ 214.9**	$ 224.2	(4.1)%

Investors Group's investment in Great-West Lifeco Inc. (GWL).

Net investment income and other totalled $42.9 million for the three months ended March 31, 2008 compared to $45.8 million in 2007. Decreases in gains on the sale of securities were offset in part by increases in net revenues related to the Company's mortgage banking operations.

OPERATING EXPENSES

Investors Group incurs commission expense in connection with the distribution of its financial services and products, particularly its mutual funds. Commissions are paid on the sale of these products and will fluctuate with the level of sales. Commission expense for the three months ended March 31, 2008 increased by $6.0 million to $59.6 million compared with $53.6 million in 2007.

The increase in commission expense was due primarily to:

- Increase in amortization of commissions totalling $3.6 million related to prior years' sales. This increase reflects the impact from the change in estimate, effective April 1, 2001, which increased the term of amortization on mutual fund sales commissions to 72 months.
- Increase of $2.4 million for the three months in other compensation related to insurance and banking products due to higher sales.

The asset retention bonus (ARB) and premium (ARP) expenses, which are based on the level of assets under management, are comprised of the following:

- ARB which is paid monthly and is based on the value of assets under management. ARB expense decreased by $0.3 million for the three month period to $48.4 million as a result of the decrease in assets under management.
- ARP which is a deferred component of compensation designed to promote Consultant retention and is based on assets under management at each year-end. ARP expense increased by $0.8 million in the three months ended March 31, 2008 compared to 2007.

Non-commission expenses increased $6.6 million to $79.5 million for the three months ended March 31, 2008. Non-commission expenses include costs incurred by Investors Group related to the administration, marketing and management of its mutual funds and other products, Consultant network support, as well as other operating expenses. As a result of the implementation of the fixed rate administration fee on October 1, 2007, non-commission expenses now also include additional costs that were previously borne by the mutual funds.

Mackenzie
Assets Under Management

Mackenzie's total assets under management at March 31, 2008 were $60.9 billion, a decrease of $2.4 billion or 3.8% from $63.3 billion at December 31, 2007. Total assets under management decreased $2.8 billion or 4.4% from $63.7 billion as at March 31, 2007. Mackenzie's mutual fund assets under management were $44.6 billion at March 31, 2008, a decrease of $2.0 billion or 4.3% from $46.6 billion at December 31, 2007 and a decrease of $3.2 billion or 6.8% from $47.8 billion as at March 31, 2007. Mackenzie's sub-advisory, institutional and other account assets at March 31, 2008 were $16.3 billion, a 2.3% decrease from $16.7 billion at December 31, 2007 and an increase of $497 million or 3.1% from March 31, 2007.

Monthly average total assets under management, which are generally more indicative of trends in revenue for providing investment management services than the period over period change in ending assets under management, decreased 3.4% as compared to the same period last year. The changes in assets under management are summarized in Table 6.

TABLE 6: CHANGE IN ASSETS UNDER MANAGEMENT – MACKENZIE

Three months ended March 31 *($ millions)*	2008	2007	CHANGE
Sales	**$ 3,135.7**	$ 3,662.3	(14.4)%
Redemptions	**3,237.5**	3,057.7	5.9
Net sales (redemptions)	**(101.8)**	604.6	N/M
Assets acquired	**221.5**	–	N/M
Net new money	**119.7**	604.6	(80.2)
Market and income	**(2,516.5)**	1,503.8	N/M
Net change in assets	**(2,396.8)**	2,108.4	N/M
Beginning assets	**63,276.7**	61,542.2	2.8
Ending assets	**$ 60,879.9**	$ 63,650.6	(4.4)%
Consists of:			
Mutual funds	**$ 44,555.2**	$ 47,823.0	(6.8)%
Sub-advisory, institutional and other accounts	**16,324.7**	15,827.6	3.1
	$ 60,879.9	$ 63,650.6	(4.4)%
Daily average mutual fund assets	**$ 44,318.1**	$ 47,182.5	(6.1)%
Monthly average total assets(1)	**$ 60,446.8**	$ 62,544.2	(3.4)%

(1) Based on daily average mutual fund assets and month-end average sub-advisory, institutional and other assets.

In the three months ended March 31, 2008, Mackenzie's gross sales were $3.1 billion, a decrease of 14.4% from $3.7 billion in the comparative period last year. Redemptions in the current period were $3.2 billion as compared to redemptions of $3.1 billion in 2007. Net redemptions for the three months ended March 31, 2008 were $102 million, as compared to net sales of $605 million last year. During the current quarter, net market depreciation resulted in assets decreasing by $2.5 billion as compared to market appreciation of $1.5 billion in the comparative period last year.

On January 1, 2008, Mackenzie became manager of the mutual fund assets of Putnam Investments Inc. distributed in Canada resulting in the addition of $222 million to its assets under management as of that date.

As at March 31, 2008, Mackenzie's twelve-month trailing redemption rate for long-term mutual funds was 14.4%, as compared to 14.8% last year. The average twelve-month trailing redemption rate for long-term funds for all other members of IFIC increased to approximately 14.7% at March 31, 2008 from 14.6% last year. Mackenzie's twelve month trailing redemption rate is comprised of the weighted average redemption rate for front-end load assets, deferred sales charge and low load units with redemption fees, and matured deferred sales charge units without redemption fees (matured units). Generally, redemption rates for front-end load units and matured units are higher than the average.

At March 31, 2008, 60%, 47% and 37% of Mackenzie's mutual funds were rated in the top two quartiles for the one, three and five year time frames, respectively. Mackenzie also monitors its fund performance relative to the ratings it receives on its mutual funds from the Morningstar† fund ranking service. At March 31, 2008, 42% of Mackenzie's mutual fund assets measured by Morningstar† had four or five stars and 63% had a rating of three stars or better.

Product line changes introduced by Mackenzie during the current quarter included the following:

- On January 14, 2008, Mackenzie launched the Mackenzie Destination+P Funds, a new product line designed for investors saving for a specific goal. Three maturity options are available: Mackenzie

Destination+[P] 2015 Fund, Mackenzie Destination+[P] 2020 Fund and Mackenzie Destination+[P] 2025 Fund.

- On March 26, 2008, Mackenzie completed the second closing of the initial public offering of MSP* 2008 Resource Limited Partnership (the "Partnership"). The total amount raised by the Partnership was $25.5 million.
- On March 28, 2008, Mackenzie reopened to investors the Mackenzie Cundill* Recovery Fund. This Fund had been closed to new retail subscriptions since April 2006.

Segment Operating Results

Mackenzie's earnings from operations before interest and taxes for the three months ended March 31, 2008 compared with 2007 are presented in Table 7.

FEE AND NET INVESTMENT INCOME

Mackenzie's management fee revenues are earned from services it provides as fund manager to the Mackenzie mutual funds and as investment advisor to sub-advisory and institutional accounts. The majority of Mackenzie's mutual funds are distributed on a retail priced basis. Mackenzie also offers various series of its mutual funds with management fees that are designed for fee-based programs, institutional investors and third party investment programs offered by banks, insurance companies and investment dealers. In these programs, Mackenzie does not pay trailing commissions or selling commissions. At March 31, 2008, there were $7.8 billion of mutual fund assets in these series of funds, as compared to $7.3 billion at March 31, 2007.

Management fees were $201.1 million for the three months ended March 31, 2008, a decrease of $15.6 million or 7.2% from $216.7 million last year. The decrease in management fees was due to the decline in Mackenzie's monthly average total assets under management combined with the change in mix of its assets under management.

Monthly average total assets under management were $60.4 billion in the quarter ended March 31, 2008 compared to $62.5 billion in 2007, a decrease of 3.4%.

TABLE 7: OPERATING RESULTS – MACKENZIE

Three months ended March 31 *($ millions)*	**2008**	2007	CHANGE
Fee and net investment income			
Management	**$ 201.1**	$ 216.7	(7.2)%
Administration	**34.4**	34.9	(1.4)
Distribution	**8.6**	8.1	6.2
	244.1	259.7	(6.0)
Net investment income and other	**6.9**	6.6	4.5
	251.0	266.3	(5.7)
Operating expenses			
Commissions	**37.9**	40.5	(6.4)
Trailer fees	**52.7**	57.2	(7.9)
Non-commission	**77.9**	76.1	2.4
	168.5	173.8	(3.0)
Earnings before interest and taxes	**$ 82.5**	$ 92.5	(10.8)%

Mackenzie's average management fee rate was 133.8 basis points in the three month period ended March 31, 2008, compared to 140.5 basis points in 2007. The decrease in the average management fee rate as compared to 2007 was due to the higher growth in Mackenzie's institutional accounts and non-retail priced mutual funds relative to the growth in its retail priced mutual funds as institutional assets and non-retail priced mutual funds have lower management fees. In addition, changes in asset mix within Mackenzie's retail priced mutual funds affected average management fee rates.

Administration fees include the following main components:

- Administration fees for providing services to the Mackenzie mutual funds and structured products.
- Asset allocation fees.
- Trustee and other administration fees generated from the MRS account administration business.

Administration fees were $34.4 million for the three months ended March 31, 2008, as compared to $34.9 million in 2007.

Effective August 1, 2007, Mackenzie assumed responsibility for the applicable operating expenses of the Mackenzie funds, other than GST and certain specified fund costs, in return for a fixed rate administration fee established for each fund. The results for the three months ended March 31, 2008 reflect the new fixed rate administration fee and the applicable operating expenses that, prior to August 1, 2007 were borne by the funds.

Mackenzie earns distribution fee income on redemptions of mutual fund units sold on a deferred sales charge basis and on a low load basis. Distribution fees charged for deferred sales charge assets range from 5.5% in the first year and decrease to zero after seven years. Distribution fees for low load assets range from 3.0% in the first year and decrease to zero after three years. Distribution fee income in the three months ended March 31, 2008 was $8.6 million, an increase of $0.5 million from $8.1 million last year.

The primary component of net investment income and other is the net interest margin from M.R.S. Trust Company's lending and deposit-taking operations. Net investment income in the three months ended March 31, 2008 was $6.9 million, an increase of $0.3 million from $6.6 million in 2007.

OPERATING EXPENSES

Mackenzie's operating expenses were $168.5 million for the three months ended March 31, 2008, a decrease of 3.0% from $173.8 million last year.

Mackenzie pays selling commissions to the dealers that sell its mutual funds on a low load and deferred sales charge basis. Commission expense, which represents the amortization of selling commissions, was $37.9 million in the three months ended March 31, 2008, as compared to $40.5 million last year. Mackenzie amortizes selling commissions over three years from the date of original purchase of the applicable low load units and over a maximum period of seven years from the date of original purchase of the applicable deferred sales charge units.

Trailing commissions paid to dealers are calculated as a percentage of mutual fund assets under management and vary depending on the fund type and whether the fund was purchased on a front-end, a deferred sales charge or on a low load basis. Trailing commissions are generally not paid on non-retail series of mutual funds and institutional assets. Trailing commissions paid to dealers were $52.7 million in the three months ended March 31, 2008, a decrease of $4.5 million or 7.9% from $57.2 million last year. The decrease in trailing commissions is consistent with the period over period decline in average mutual fund assets under management and the change in asset mix within Mackenzie's mutual funds. Trailing commissions as a percentage of average mutual fund assets under management were 47.6 basis points in the three-month period ended March 31, 2008, as compared to 48.5 basis points last year.

Non-commission expenses were $77.9 million in the three months ended March 31, 2008, an increase of $1.8 million or 2.4% in the current period from $76.1 million last year. Non-commission expenses include costs incurred by Mackenzie related to the administration, marketing and management of its mutual funds, as well as costs incurred in its account administration and trust company businesses. The increase in non-commission expenses is due primarily to additional costs that were previously borne by the funds incurred in the current quarter as a result of the implementation of the fixed rate administration fee on August 1, 2007.

IGM Financial Inc.

Consolidated Financial Position

IGM Financial's total assets were $7.9 billion as at March 31, 2008, unchanged from December 31, 2007.

The fair value of the Company's securities holdings, net of derivatives classified as fair value hedges, was $675.1 million as at March 31, 2008 compared to $706.6 million at December 31, 2007, a decrease of $31.5 million. The fair value of derivatives classified as fair value hedges included above was $11.5 million at March 31, 2008 and $10.3 million at December 31, 2007 and are classified as Other Assets or Other Liabilities on the interim Consolidated Balance Sheets. Unrealized losses on the securities portfolio net of derivatives were $12.3 million at March 31, 2008 compared to unrealized gains of $23.2 million at December 31, 2007.

Fixed income securities are comprised of non-bank-sponsored asset-backed commercial paper (ABCP). The Company's original investment in ABCP totalled $50.2 million. The Company reduced the fair value of the ABCP to $40.3 million by recording charges totalling $2.9 million in the third quarter and $7.0 million in the fourth quarter of 2007.

On December 23, 2007, the Pan-Canadian Investors Committee, consisting of major investors, announced a proposed restructuring of the ABCP. Investors received an Information Statement on March 20, 2008 which provided details on the proposed restructuring and the types and quantities of notes that will be issued to investors. On April 25, 2008, investors approved the restructuring plan.

The restructuring plan extends the maturity of the ABCP to provide for a maturity similar to that of the underlying assets. Trusts with ABCP supported in whole or in part by synthetic assets will pool their assets and note holders will receive senior Class A-1 and Class A-2 and subordinated Class B and Class C long-term floating rate notes. Trusts with ABCP supported by assets that have an exposure to US mortgages and sub-prime mortgages for which the credit quality is uncertain, will be restructured on a series-by-series basis, with each series maintaining its separate exposure to its own assets. Note holders with exposure to this asset class will receive IA Tracking long-term floating rate notes.

Based on the details provided in the Information Statement, a significant portion of the Company's investment in ABCP is represented by a combination of leveraged collateralized debt, synthetic assets and traditional securitized assets. On restructuring, the Company's allocation of senior Class A-1 and Class A-2 long-term floating rate notes will represent in excess of 75% of the Company's original investment in ABCP. The senior notes are expected to be rated AA by the Dominion Bond Rating Service and have a maturity date of December 2016.

The Company's valuation of the ABCP was based on its assessment of the prevailing conditions at March 31, 2008. The estimated fair value reflects the allocation of the floating rate notes the Company expects to receive having a duration of approximately 7.5 years. The Company estimated the fair value of the senior and subordinated notes by discounting the expected cash flows at yields comparable to prevailing market yields and credit spreads available for securities with similar characteristics to the restructured notes and other market inputs reflecting the Company's best available information. The fair value of the IA Tracking long-term floating rate notes was estimated using observable market inputs from independent pricing sources or by discounted expected cash flows reflecting the Company's best available information, including reference to prevailing market yields on debt instruments in the Canadian market.

The Canadian market for non-bank-sponsored ABCP has not had a significant impact on the Company's operations or financial condition. As at March 31, 2008, an increase in the estimated discount rates of 100 basis points would reduce net income by $2.5 million.

Loans, including mortgages and personal loans, increased by $71.5 million to $625.4 million at March 31, 2008 and represented 7.9% of total assets, compared to 7.0% at December 31, 2007. Residential mortgage loans related to the Company's mortgage banking operations increased $64.1 million. These residential mortgage loans are funded primarily through sales to third parties, including bank-sponsored securitization trusts, on a fully serviced basis. In the Company's deposit operations, personal loans increased by $20.5 million while residential mortgage loans decreased by $11.4 million in the three month period to March 31, 2008.

Consolidated Liquidity and Capital Resources

LIQUIDITY

Cash and cash equivalents totalled $1.09 billion at March 31, 2008 compared with $1.18 billion at December 31, 2007.

IGM Financial's operating liquidity is required for:

- Financing ongoing operations, including the funding of selling commissions.
- Temporarily financing mortgages in its mortgage banking facility.
- Meeting regular interest and dividend obligations related to long-term debt and preferred shares.
- Payment of quarterly dividends on its outstanding common shares.
- Maintaining liquidity requirements for regulated entities.
- Financing common share repurchases related to the Company's normal course issuer bid.

In addition, a portion of cash and cash equivalents and loans relates to the Company's deposit operations as shown in Table 8.

IGM Financial continues to generate significant cash flows from its operations. Earnings before interest, taxes, depreciation and amortization (EBITDA) totalled $404.6 million for the three months ended March 31, 2008 compared to $422.6 million in 2007, and represents a decrease of 4.3%.

In addition to IGM Financial's current balance of cash and cash equivalents, other potential sources of liquidity include the Company's lines of credit and portfolio of securities. The Company maintains uncommitted operating lines of credit totalling $260 million with various Schedule I Canadian chartered banks. As at March 31, 2008, the Company had utilized $99.8 million of its operating lines of credit. IGM Financial's demonstrated ability to raise funds in domestic debt and equity markets is also a source of liquidity.

Cash Flows

Table 9 – Cash Flows is a summary of the Consolidated Statements of Cash Flows which forms part of the interim Consolidated Financial Statements for the three months ended March 31, 2008. Cash and cash equivalents decreased $88.1 million in the first quarter compared with a decrease of $167.8 million in 2007.

Operating activities, before payment of commissions, generated $143.5 million during the three month period ended March 31, 2008, as compared to $174.4 million in 2007. Cash commissions paid of $91.3 million in 2008 decreased from $117.4 million in 2007. While mutual fund sales decreased approximately 19% in the three month period over the comparative period in 2007, commissions paid decreased by 22% reflecting an increase in the relative proportion in mutual funds assets purchased on a front-end basis compared to a deferred sales charge basis. Net cash flows from operating activities, net of commissions paid, was $52.2 million in

TABLE 8: ASSETS RELATED TO DEPOSIT OPERATIONS

($ millions)	MARCH 31 2008	DECEMBER 31 2007	CHANGE
Assets			
Cash and cash equivalents	**$ 590.3**	$ 519.6	13.6%
Loans	**501.9**	488.4	2.8
Total assets	**$ 1,092.2**	$ 1,008.0	8.4%
Liabilities and Shareholders' Equity			
Deposit liabilities	**$ 940.0**	$ 856.9	9.7%
Other liabilities – net	**34.8**	35.2	(1.1)
Shareholders' equity	**117.4**	115.9	1.3
Total liabilities and shareholders' equity	**$ 1,092.2**	$ 1,008.0	8.4%

TABLE 9: CASH FLOWS

Three months ended March 31 *($ millions)*	**2008**	2007	CHANGE
Operating activities			
Before payment of commissions	**$ 143.5**	$ 174.4	(17.7)%
Commissions paid	**(91.3)**	(117.4)	22.2
Net of commissions paid	**52.2**	57.0	(8.4)
Financing activities	**(62.8)**	(86.4)	27.3
Investing activities	**(77.5)**	(138.4)	44.0
Decrease in cash and cash equivalents	**(88.1)**	(167.8)	47.5
Cash and cash equivalents, beginning of period	**1,180.3**	1,325.5	(11.0)
Cash and cash equivalents, end of period	**$ 1,092.2**	$ 1,157.7	(5.7)%

2008, as compared to $57.0 million in 2007.

Financing activities during the three months ended March 31, 2008 compared to the same period in 2007 related primarily to:

- A net increase of $83.1 million in deposits and certificates in 2008 compared to $30.1 million in 2007. The net increase in 2008 related to increases in demand and term deposit levels.
- Proceeds received on the issuance of common shares under the Company's stock option program of $6.0 million in 2008 compared with $6.7 million in 2007.
- The payment of regular common share dividends which increased to $121.5 million in 2008 from $105.3 million in 2007 as a result of increases in the Company's common share dividends.
- The purchase of 715,000 common shares in 2008 under IGM Financial's normal course issuer bid at a cost of $30.3 million compared with the purchase of 360,000 common shares at a cost of $17.9 million in 2007.

Investing activities during the three months ended March 31, 2008 compared to the same period in 2007 related primarily to:

- Purchases of securities totalling $34.1 million and sales of securities with proceeds of $37.1 million in 2008 compared with $111.2 million and $11.4 million, respectively, in 2007.
- Net increases in loans of $343.0 million compared to $345.4 million in 2007 related primarily to residential mortgages in the Company's mortgage banking operations.
- Net cash proceeds resulting from the securitization of residential mortgage loans through bank-sponsored securitization trusts of $271.2 million in 2008 compared to $310.6 million in 2007.

CAPITAL RESOURCES

Shareholders' equity totalled $4.2 billion as at March 31, 2008, unchanged from December 31, 2007. Changes in common share capital are reflected in the interim Consolidated Statements of Changes in Shareholders' Equity and in Note 4 to the interim Consolidated Financial Statements. Long-term debt of $1.2 billion and preferred shares of $360 million remained at year end 2007 levels.

To achieve its strategic objectives, the Company requires a strong capital base. The Company's capital management practices are focused on preserving the quality of its financial position by maintaining a solid capital base and a strong balance sheet.

In the first quarter of 2008, Standard & Poor's (S&P) reviewed their ratings of IGM Financial's senior debt and liabilities. The rating on the Company's senior debt and liabilities were maintained at "A+" with a stable outlook by S&P, reflecting the continuing quality of the Company's balance sheet and the strength of its operations. In the second quarter of 2007, the Dominion Bond Rating Service (DBRS) confirmed its rating at "A (high)" with a stable outlook.

FINANCIAL INSTRUMENTS

Changes in both the carrying values and fair values of financial instruments did not have a significant impact on the financial condition of the Company for the quarter ended March 31, 2008.

The Company actively manages risks that arise as a result of its use of financial instruments. These risks include liquidity, credit and market risk.

Liquidity Risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due.

A key liquidity requirement for the Company is the funding of commissions paid on the sale of mutual funds. Commissions paid continue to be fully funded through ongoing cash flow from operations.

The Company also maintains sufficient liquidity to fund and temporarily hold mortgages. Through its mortgage operations, these mortgages are sold to third parties, including bank-sponsored securitization trusts and a mutual fund managed by Investors Group, on a fully serviced basis.

Liquidity requirements for trust subsidiaries which engage in financial intermediary activities are based on policies approved by the investment and conduct review committees of their respective Boards of Directors. As at March 31, 2008, liquidity for the trust subsidiaries was in compliance with these policies.

The Company's contractual maturities are reflected in Table 10.

In addition to IGM Financial's current balance of cash and cash equivalents, other potential sources of liquidity include the Company's lines of credit and portfolio of securities. The Company maintains uncommitted operating lines of credit totalling $260 million with various Schedule I Canadian chartered banks. The Company has also demonstrated an ability to raise funds in domestic debt and equity markets. The Company's continued ability to access capital markets to raise funds is dependent on market conditions that are subject to change. The Company's exposure to and management of liquidity risk has not changed materially since December 31, 2007.

Credit Risk

Credit risk is the potential for financial loss to the Company if a counterparty in a transaction fails to meet its obligations. The Company's cash and cash equivalents, securities holdings, mortgage and personal loan portfolios, and derivatives are subject to credit risk. The Company monitors its credit risk management policies continuously to evaluate their effectiveness.

Cash and cash equivalents primarily consist of highly liquid temporary deposits with Canadian chartered banks, debt securities issued by the Canadian and provincial governments, bankers' acceptances and commercial paper. All non-bank-sponsored ABCP, which totalled $40.3 million net of impairment charges and represents the maximum exposure to credit risk at March 31, 2008, is included in Securities. Refer to Note 2 to the interim Consolidated Financial Statements and the Consolidated Financial Position section for information related to the valuation of ABCP. The Company regularly reviews the credit ratings of its counterparties. The maximum exposure to credit risk on these financial instruments is their carrying value. The Company mitigates credit risk on these financial instruments by adhering to its Investment Policy that outlines credit risk parameters and concentration limits.

TABLE 10: CONTRACTUAL OBLIGATIONS

As at March 31, 2008 *($ millions)*	DEMAND	LESS THAN 1 YEAR	1 – 5 YEARS	AFTER 5 YEARS	TOTAL
Deposits and certificates	**$ 736.7**	**$ 89.7**	**$ 107.7**	**$ 5.9**	**$ 940.0**
Long-term debt	**–**	**–**	**450.0**	**750.0**	**1,200.0**
Other liabilities	**99.8**	**5.2**	**51.7**	**–**	**156.7**
Operating leases(1)	**–**	**38.0**	**106.1**	**92.0**	**236.1**
Total contractual obligations	**$ 836.5**	**$ 132.9**	**$ 715.5**	**$ 847.9**	**$ 2,532.8**

(1) Includes office space and equipment used in the normal course of business. Lease payments are charged to earnings in the period of use.

The Company regularly reviews the credit quality of the mortgage and personal loan portfolios and the adequacy of the general allowance. As at March 31, 2008 mortgages and personal loans totalled $304.8 million and $328.4 million, respectively. The allowance for credit losses of $7.8 million at March 31, 2008 exceeded impaired mortgages and personal loans by $7.1 million. As at March 31, 2008, the mortgage portfolios were geographically diverse, 100% residential and 63% insured. All loans are secured by underlying real estate or securities. The characteristics of the mortgage and personal loan portfolios have not changed materially since December 31, 2007.

The Company regularly reviews the credit quality of the mortgage loans securitized through bank-sponsored securitization trusts. The bank sponsors are Schedule I Chartered banks. The maximum exposure to credit risk attributable to mortgage loans securitized through bank-sponsored securitization trusts is equal to the value of the retained interests in the securitized loans, which was $99.1 million at March 31, 2008.

The Company also regularly reviews the credit ratings of derivative financial instrument counterparties. Derivative contracts are either exchange traded or negotiated in the over-the-counter market on a diversified basis with Schedule I and Schedule II Chartered banks or bank-sponsored securitization trusts that are also counterparties to the Company's securitization transactions. During the first quarter of 2008, the Company increased the outstanding notional amount of derivative contracts by $0.2 billion to $4.6 billion. The exposure to credit risk, which is limited to the fair value of those instruments which are in a gain position, increased to $64.6 million at March 31, 2008 from $15.9 million at December 31, 2007. This does not give effect to any netting agreements or collateral arrangements. Additional information related to the Company's utilization of derivative contracts can be found in Notes 1 and 17 to the Consolidated Financial Statements in the 2007 IGM Financial Inc. Annual Report.

The Company's exposure to and management of credit risk has not changed materially since December 31, 2007.

Market Risk

Market risk is the potential for loss to the Company from changes in the values of its financial instruments due to changes in interest rates, foreign exchanges rates or equity prices. The Company's financial instruments are generally denominated in Canadian dollars, and do not have significant exposure to foreign exchange rates.

The Company is exposed to interest rate risk on its loan portfolio and on certain of the derivative financial instruments used in the Company's mortgage banking and intermediary operations. The objective of the Company's asset liability management is to control interest rate risk by actively managing its interest rate exposure. As at March 31, 2008, the total gap between one-year deposit assets and liabilities was within the Company's stated guidelines. The Company utilizes interest rate swaps in order to reduce the impact of fluctuating interest rates on its mortgage banking and intermediary operations, including exposures arising from interest rate swaps related to securitization arrangements. As at March 31, 2008, the impact of a 100-basis point change in interest rates to Net income would have been $1.7 million.

The Company is exposed to equity price risk on its securities holdings and on certain of its derivative financial instruments. The Company adheres to an Investment Policy that outlines the objectives, constraints and parameters relating to its investing activities. This policy prescribes limits around the quality and concentration of investments held by the Company. Management regularly reviews the Company's investments to ensure all activities are in adherence to the Investment Policy, and regularly reviews the portfolio to identify holdings where there has been an other than temporary decline in value. The Company manages its exposure to equity price risk on its corporate securities portfolio by using a variety of derivative instruments including options and forward contracts.

The Company's securities holdings are classified as available for sale, therefore unrealized gains and losses on securities not designated as part of a hedging relationship are recorded in Other comprehensive income until realized. As at March 31, 2008, the impact of a 10% decrease in the value of the Company's securities portfolio would have been a $45.5 million unrealized loss recorded in Other comprehensive income.

The Company's exposure to and management of interest rate and other price risk have not changed materially since December 31, 2007.

Details of each component of the financial instruments are contained in the various related notes to the Consolidated Financial Statements in the 2007 IGM Financial Inc. Annual Report.

OFF-BALANCE SHEET SECURITIZATION ARRANGEMENTS

There were no changes to the Company's liquidity management practices related to securitizations during the three month period ended March 31, 2008. During the three months ended March 31, 2008, the Company entered into securitization transactions with bank-sponsored securitization trusts through its mortgage banking operation with proceeds of $271.2 million compared with $310.6 million in 2007 as discussed in Note 3 to the interim Consolidated Financial Statements. Securitized loans serviced at March 31, 2008 totalled $2,353.0 million compared with $1,761.5 million in 2007. The fair value of the Company's retained interest was $99.1 million at March 31, 2008 and $45.9 million at March 31, 2007.

Outlook

MUTUAL FUND INDUSTRY ASSETS

At March 31, 2008, mutual fund industry assets in Canada were $687.6 billion, a decrease of 1.4% relative to December 31, 2007. This $9.6 billion decrease in industry assets since December 31, 2007 reflected net cashflow of $8.8 billion, an estimated $22.4 billion in market depreciation for the quarter and $4.0 billion in mutual fund assets not previously reported through the Investment Funds Institute of Canada (IFIC).

OTHER RISK FACTORS

The Regulatory Environment

IGM is subject to complex and changing legal, taxation and regulatory requirements, including the requirements of agencies of the federal, provincial and territorial governments in Canada which regulate the Company and its activities. The principal regulators of the Company and its subsidiaries are the Canadian Securities Administrators, the Mutual Fund Dealers Association of Canada, the Investment Dealers Association of Canada and the Office of the Superintendent of Financial Institutions. These and other regulatory bodies regularly adopt new laws, rules, regulations and policies that apply to the Company. Regulatory standards affecting the Company and the financial services industry are increasing. The Company and its subsidiaries are subject to regular regulatory reviews as part of the normal ongoing process of oversight by the various regulators.

Failure to comply with laws, rules or regulations could lead to regulatory sanctions and civil liability, and may have an adverse reputational or financial effect on the Company. The Company manages regulatory risk through its efforts to promote a strong culture of compliance. It monitors regulatory developments and their impact on the Company. It also continues to develop and maintain compliance policies, processes and oversight, including specific communications on compliance and legal matters, training, testing, monitoring and reporting. The Audit Committee of the Company receives regular reporting on compliance initiatives and issues.

The Company supports regulatory efforts that will protect the interests of its clients and preserve the integrity and reputation of the industry and its members.

Contingencies

The Company is subject to legal actions, including class actions, arising in the normal course of its business.

Three class actions related to alleged market timing trading activity in mutual funds of the companies have been commenced. Investors Group entered into settlement agreements in 2004 with a number of its securities regulators in respect of such market timing trading activity. Although it is difficult to predict the outcome of such legal actions, based on current knowledge and consultation with legal counsel, management does not expect the outcome of any of these matters, individually or in aggregate, to have a material adverse effect on the Company's consolidated financial position.

Market Risk Related to Assets Under Management

Risks related to performance of the equity markets, changes in interest rates and changes in foreign currencies relative to the Canadian dollar can have a significant impact on the level and mix of mutual fund assets under management and sales. In addition, these factors can result in increased redemptions of mutual funds.

IGM Financial provides Consultants and independent financial advisors with a high level of service and support and a broad range of investment products – based on asset classes, countries or regions, and investment management styles. These are key advantages in maintaining strong client relationships.

The mutual fund industry and financial advisors are committed to educating Canadian investors on the merits of financial planning, diversification and long-term investing. In periods of volatility our Consultants and independent financial advisors play a key role in assisting investors to maintain perspective and focus on their long-term objectives.

Redemption rates for long-term funds are summarized in Table 11.

Distribution Risk

- *Investors Group Consultant Network* – Investors Group derives all of its mutual fund sales through its Consultant network. Investors Group Consultants have regular direct contact with clients which can lead to a strong and personal client relationship based on the client's confidence in that individual Consultant. The market for financial advisors is extremely competitive. The loss of a significant number of key Consultants could lead to the loss of client accounts which could have an adverse effect on Investors Group's results of operations and business prospects. Investors Group is focused on growing its distribution network of Consultants as discussed in the Investors Group Review of the Business section of the MD&A in the 2007 IGM Financial Inc. Annual Report.
- *Mackenzie* – Mackenzie derives substantially all of its mutual fund sales through independent financial advisors. Mackenzie's ability to market its products is highly dependent on access to various distribution channels. These intermediaries generally offer their clients investment products in addition to, and in competition with Mackenzie. The inability to have such access could have a material adverse effect on Mackenzie's operating results and business prospects. However, Mackenzie's diverse portfolio of financial products and its long-term investment performance record, marketing, educational and service support has made Mackenzie one of Canada's leading companies serving independent financial advisors. The factors are discussed further in the Mackenzie Review of the Business section of the MD&A in the 2007 IGM Financial Inc. Annual Report.

TABLE 11: TWELVE MONTH TRAILING REDEMPTION RATE FOR LONG-TERM FUNDS

As at March 31	**2008**	2007
IGM Financial Inc.		
Investors Group	**7.4%**	7.7%
Mackenzie	**14.4%**	14.8%
Counsel Group of Funds	**10.3%**	9.2%

Accounting Estimates and Policies

SUMMARY OF CRITICAL ACCOUNTING ESTIMATES

There were no changes to the Company's critical accounting estimates from those reported at December 31, 2007.

CHANGES IN ACCOUNTING POLICIES

On January 1, 2008, the Company adopted CICA 1535, Capital Disclosures. This standard requires the disclosure of information related to the objectives, policies and processes for managing capital.

The Company's capital management objective is to maximize shareholder returns while ensuring that the Company is capitalized in a manner which appropriately supports regulatory requirements, working capital needs and business expansion. The Company's capital management practices are focused on preserving the quality of its financial position by maintaining a solid capital base and a strong balance sheet. Capital of the Company consists of long-term debt, preferred shares and shareholders' equity.

The Company's capital is primarily utilized in its ongoing business operations to support working capital requirements, long-term investments made by the Company, business expansion and other strategic objectives. Subsidiaries subject to regulatory capital requirements include trust companies, securities dealers and mutual fund dealers. The Company's subsidiaries have complied with all regulatory capital requirements.

Capital management activities for the three months ended March 31, 2008 included: the repurchase of 735,000 common shares at a cost of $31.3 million under the normal course issuer bid (Note 4 to the interim Consolidated Financial Statements); and the declaration of preferred share dividends of $5.2 million and common share dividends of $128.6 million. Changes in common share capital are reflected in the interim Consolidated Statements of Changes in Shareholders' Equity. Long-term debt of $1.2 billion and preferred shares of $360 million remain unchanged.

On January 1, 2008, the Company adopted CICA 3862, Financial Instruments – Disclosure, and CICA 3863, Financial Instruments – Presentation, replacing CICA 3861. CICA 3862 requires enhanced disclosure of the nature and extent of the risks arising from financial instruments and how the Company manages those risks. CICA 3863 carries forward unchanged the presentation requirements of CICA 3861 with respect to financial instruments. See Financial Instruments section of the MD&A and Note 6 to the March 31, 2008 interim Consolidated Financial Statements for the disclosures required under CICA 3862.

FUTURE ACCOUNTING CHANGES

On January 1, 2009, the Company will adopt CICA 3064, Goodwill and Intangible Assets. This standard contains revised guidance for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The adoption of this standard is not expected to have a significant impact on the Company's financial position or results of operations.

The Canadian Accounting Standards Board (AcSB) has confirmed its plan to adopt all International Financial Reporting Standards, as published by the International Accounting Standards Board, on or by January 1, 2011. The Company will adopt all of the International Financial Reporting Standards in accordance with the AcSB's plan. The impact of the adoption of these standards is not known at this time.

Internal Controls Over Financial Reporting

During the first quarter of 2008, there have been no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Other Information

RELATED PARTY TRANSACTIONS

There were no changes to the types of related party transactions from those reported at December 31, 2007. For further information on transactions involving related parties, see Notes 5 and 21 to the Consolidated Financial Statements in the 2007 IGM Financial Inc. Annual Report.

OUTSTANDING SHARE DATA

Outstanding shares of the Company as at March 31, 2008 of 263,729,870 are disclosed in Note 4 to the interim Consolidated Financial Statements. Outstanding shares of the Company as at April 30, 2008 totalled 263,731,770.

SEDAR

Additional information relating to IGM Financial Inc., including the Company's most recent financial statements and Annual Information Form, is available at www.sedar.com.

Consolidated Statements of Income

(unaudited) *(in thousands of dollars, except shares and per share amounts)*	THREE MONTHS ENDED MARCH 31 2008	2007
Fee and net investment income		
Management	**$ 490,649**	$ 511,836
Administration	**87,502**	83,757
Distribution	**75,687**	62,169
Net investment income and other	**60,844**	63,029
Total fee and net investment income	**714,682**	720,791
Operating expenses		
Commission expense	**234,994**	231,404
Non-commission expense	**167,411**	157,199
Interest expense	**21,990**	21,851
Total operating expenses	**424,395**	410,454
Income before income taxes and non-controlling interest	**290,287**	310,337
Income taxes	**78,555**	99,147
Income before non-controlling interest	**211,732**	211,190
Non-controlling interest	**529**	641
Net income	**$ 211,203**	$ 210,549
Average number of common shares *(in thousands) (Note 11)*		
– Basic	**264,116**	264,944
– Diluted	**266,154**	267,671
Earnings per share *(in dollars) (Note 11)* – Basic	**$ 0.80**	$ 0.79
– Diluted	**$ 0.79**	$ 0.79

(See accompanying notes to interim consolidated financial statements.)

Consolidated Balance Sheets

(unaudited) *(in thousands of dollars)*	**MARCH 31 2008**	DECEMBER 31 2007
Assets		
Cash and cash equivalents	**$ 1,092,152**	$ 1,180,284
Securities *(Note 2)*	**663,566**	696,279
Loans	**625,423**	553,947
Investment in affiliate	**566,617**	560,683
Deferred selling commissions	**999,576**	989,784
Other assets	**534,783**	465,089
Intangible assets	**1,027,879**	1,028,731
Goodwill	**2,391,502**	2,383,798
	$ 7,901,498	$ 7,858,595
Liabilities		
Deposits and certificates	**$ 940,019**	$ 856,895
Other liabilities	**792,197**	863,961
Future income taxes	**423,647**	414,756
Long-term debt	**1,200,000**	1,200,000
Preferred shares *(Note 4)*	**360,000**	360,000
	3,715,863	3,695,612
Shareholders' Equity		
Common shares *(Note 4)*	**1,506,404**	1,504,290
Contributed surplus	**23,775**	22,175
Retained earnings	**2,734,043**	2,678,618
Accumulated other comprehensive loss	**(78,587)**	(42,100)
	4,185,635	4,162,983
	$ 7,901,498	$ 7,858,595

(See accompanying notes to interim consolidated financial statements.)

Consolidated Statements of Changes in Shareholders' Equity

(unaudited) *(in thousands of dollars)*	THREE MONTHS ENDED MARCH 31 2008	2007
Common shares *(Note 4)*		
Balance, beginning of period	**$ 1,504,290**	$ 1,493,954
Issued under stock option plan	**6,309**	7,011
Purchased for cancellation	**(4,195)**	(2,037)
Balance, end of period	**1,506,404**	1,498,928
Contributed surplus		
Balance, beginning of period	**22,175**	15,339
Stock options		
Current period expense	**1,926**	1,875
Exercised	**(326)**	(320)
Balance, end of period	**23,775**	16,894
Retained earnings		
Balance, beginning of period		
As previously reported	**2,678,618**	2,308,380
Reclassification to accumulated other comprehensive income	**–**	39,777
As restated	**2,678,618**	2,348,157
Net income	**211,203**	210,549
Common dividends	**(128,597)**	(113,312)
Common share cancellation excess and other *(Note 4)*	**(27,181)**	(15,879)
Balance, end of period	**2,734,043**	2,429,515
Accumulated other comprehensive income (loss) *(Note 7)*		
Balance, beginning of period	**(42,100)**	(39,777)
Change in accounting policy	**–**	46,339
Other comprehensive income (loss)	**(36,487)**	6,852
Balance, end of period	**(78,587)**	13,414
Total Shareholders' Equity	**$ 4,185,635**	$ 3,958,751

(See accompanying notes to interim consolidated financial statements.)

Consolidated Statements of Comprehensive Income

(unaudited) *(in thousands of dollars)*	THREE MONTHS ENDED MARCH 31 **2008**	2007
Net income	**$ 211,203**	$ 210,549
Other comprehensive income (loss), net of tax *(Note 7)*		
Net unrealized gains (losses) on available for sale securities:		
Unrealized gains (losses)	**(23,329)**	3,295
Reclassification adjustment for (gains) losses included in net income	**(8,162)**	(36,732)
	(31,491)	(33,437)
Net unrealized gains (losses) on cash flow hedges		
Unrealized gains (losses)	**–**	2,133
Reclassification adjustment for (gain) loss included in net income	**–**	21,574
	–	23,707
Other comprehensive income (loss) (OCI) related to investment in affiliate and other	**(4,996)**	16,582
Other comprehensive income (loss)	**(36,487)**	6,852
Comprehensive income	**$ 174,716**	$ 217,401

(See accompanying notes to interim consolidated financial statements.)

Consolidated Statements of Cash Flows

(unaudited) *(in thousands of dollars)*	Three months ended March 31 2008	2007
Operating activities		
Net income	**$ 211,203**	$ 210,549
Adjustments to determine net cash from operating activities		
Future income taxes	**14,272**	19,567
Commission amortization	**81,547**	80,685
Amortization of capital and intangible assets	**6,658**	5,644
Changes in operating assets and liabilities and other	**(170,137)**	(142,007)
	143,543	174,438
Commissions paid	**(91,339)**	(117,407)
	52,204	57,031
Financing activities		
Net increase in deposits and certificates	**83,124**	30,106
Issue of common shares	**5,983**	6,691
Common dividends paid	**(121,529)**	(105,284)
Common shares purchased for cancellation	**(30,347)**	(17,902)
	(62,769)	(86,389)
Investing activities		
Purchase of securities	**(34,080)**	(111,205)
Proceeds from the sale of securities	**37,111**	11,410
Net increase in loans	**(342,954)**	(345,447)
Proceeds from securitizations *(Note 3)*	**271,172**	310,612
Net additions to capital assets	**(8,816)**	(3,744)
	(77,567)	(138,374)
Decrease in cash and cash equivalents	**(88,132)**	(167,732)
Cash and cash equivalents, beginning of period	**1,180,284**	1,325,468
Cash and cash equivalents, end of period	**$ 1,092,152**	$ 1,157,736
Cash	**$ 104,117**	$ 111,257
Cash equivalents	**988,035**	1,046,479
	$ 1,092,152	$ 1,157,736
Supplemental disclosure of cash flow information		
Amount of interest paid during the period	**$ 22,161**	$ 22,441
Amount of income taxes paid during the period	**$ 159,154**	$ 139,566

(See accompanying notes to interim consolidated financial statements.)

Notes to the Interim Consolidated Financial Statements

MARCH 31, 2008 *(unaudited) (In thousands of dollars, except shares and per share amounts)*

1. SIGNIFICANT ACCOUNTING POLICIES

The interim unaudited Consolidated Financial Statements have been prepared in accordance with Canadian generally accepted accounting principles, using the same accounting policies as set out in Note 1 to the Consolidated Financial Statements for the year ended December 31, 2007, except as noted below. These interim unaudited Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto in the Company's Annual Report dated December 31, 2007.

Changes in accounting policies

On January 1, 2008, the Company adopted CICA 1535, Capital Disclosures. This standard requires the disclosure of information related to the objectives, policies and processes for managing capital.

On January 1, 2008, the Company adopted CICA 3862, Financial Instruments – Disclosures and CICA 3863, Financial Instruments – Presentation, replacing CICA 3861. CICA 3862 requires enhanced disclosure of the nature and extent of the risks arising from financial instruments and how the Company manages those risks. CICA 3863 carries forward unchanged the presentation requirements of CICA 3861 with respect to financial instruments.

Future accounting changes

On January 1, 2009, the Company will adopt CICA 3064, Goodwill and Intangible Assets. This standard contains revised guidance for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The adoption of this standard is not expected to have a significant impact on the Company's financial position or results of operations.

The Canadian Accounting Standards Board (AcSB) has confirmed its plan to adopt all International Financial Reporting Standards, as published by the International Accounting Standards Board, on or by January 1, 2011. The Company will adopt all of the International Financial Reporting Standards in accordance with the AcSB's plan. The impact of the adoption of these standards is not known at this time.

Comparative figures

Certain comparative figures have been reclassified to conform with the current period's financial statement presentation.

2. SECURITIES

	MARCH 31, 2008		DECEMBER 31, 2007	
	COST	FAIR VALUE	COST	FAIR VALUE
Common shares	**$ 621,006**	**$ 597,930**	$ 614,102	$ 626,719
Investments in proprietary mutual funds	**24,478**	**25,345**	26,981	29,269
Fixed income securities	**40,291**	**40,291**	40,291	40,291
	$ 685,775	**$ 663,566**	$ 681,374	$ 696,279

Fixed income securities are comprised of non-bank-sponsored asset-backed commercial paper (ABCP). The Company's original investment in ABCP totalled $50.2 million. The Company reduced the fair value of the ABCP to $40.3 million by recording charges totalling $2.9 million in the third quarter and $7.0 million in the fourth quarter of 2007.

On December 23, 2007, the Pan-Canadian Investors Committee, consisting of major investors, announced a proposed restructuring of the ABCP. Investors received an Information Statement on March 20, 2008 which provided details on the proposed restructuring and the types and quantities of notes that will be issued to investors. On April 25, 2008, investors approved the restructuring plan.

The restructuring plan extends the maturity of the ABCP to provide for a maturity similar to that of the underlying assets. Trusts with ABCP supported in whole or in part by synthetic assets will pool their assets and note holders will receive senior Class A-1 and Class A-2 and subordinated Class B and Class C long-term floating rate notes. Trusts with ABCP supported by assets that have an exposure to US mortgages and sub-prime mortgages for which the credit quality is uncertain, will be restructured on a series-by-series basis, with each series maintaining its separate exposure to its own assets. Note holders with exposure to this asset class will receive IA Tracking long-term floating rate notes.

2. SECURITIES *(continued)*

Based on the details provided in the Information Statement, a significant portion of the Company's investment in ABCP is represented by a combination of leveraged collateralized debt, synthetic assets and traditional securitized assets. On restructuring, the Company's allocation of senior Class A-1 and Class A-2 long-term floating rate notes will represent in excess of 75% of the Company's original investment in ABCP. The senior notes are expected to be rated AA by the Dominion Bond Rating Service and have a maturity date of December 2016.

The Company's valuation of the ABCP was based on its assessment of the prevailing conditions at March 31, 2008. The estimated fair value reflects the allocation of the floating rate notes the Company expects to receive having a duration of approximately 7.5 years. The Company estimated the fair value of the senior and subordinated notes by discounting the expected cash flows at yields comparable to prevailing market yields and credit spreads available for securities with similar characteristics to the restructured notes and other market inputs reflecting the Company's best available information. The fair value of the IA Tracking long-term floating rate notes was estimated using observable market inputs from independent pricing sources or by discounted expected cash flows reflecting the Company's best available information, including reference to prevailing market yields on debt instruments in the Canadian market.

The Canadian market for non-bank-sponsored ABCP has not had a significant impact on the Company's operations or financial condition. As at March 31, 2008, an increase in the estimated discount rates of 100 basis points would reduce net income by $2.5 million.

3. SECURITIZATIONS

During the first quarter of 2008, the Company securitized $272.7 million (2007 – $313.7 million) of residential mortgages through bank-sponsored securitization trusts and received net cash proceeds of $271.2 million (2007 – $310.6 million). The Company's retained interest in the securitized loans was valued at $10.4 million (2007 – $8.5 million). A pre-tax gain on sale of $6.7 million (2007 – $3.0 million) was recognized and reported in Net investment income and other in the Consolidated Statements of Income.

4. SHARE CAPITAL

Issued and outstanding

	MARCH 31, 2008		MARCH 31, 2007	
	SHARES	STATED VALUE	SHARES	STATED VALUE
First preferred shares, Series A	**14,400,000**	**$ 360,000**	14,400,000	$ 360,000
Common shares				
Balance, beginning of period	**264,192,998**	**$ 1,504,290**	264,865,938	$ 1,493,954
Issued under Stock Option Plan	**271,872**	**6,309**	314,328	7,011
Purchased for cancellation	**(735,000)**	**(4,195)**	(360,000)	(2,037)
Balance, end of period	**263,729,870**	**$ 1,506,404**	264,820,266	$ 1,498,928

Normal course issuer bid

The Company commenced a normal course issuer bid, effective for one year, on March 22, 2008. Under this bid, the Company may purchase up to 13.2 million or 5% of its common shares outstanding as at March 14, 2008. In the first quarter of 2008, 735,000 shares were purchased at a cost of $31.3 million. The premium paid to purchase the shares in excess of the stated value was charged to Retained earnings.

On March 22, 2007, the Company commenced a normal course issuer bid, effective for one year, authorizing it to purchase up to 13.3 million or 5% of its common shares outstanding as at March 14, 2007. In the first quarter of 2007, 360,000 shares were purchased at a cost of $17.9 million and the premium paid to purchase the shares in excess of the stated value was charged to Retained earnings.

5. CAPITAL MANAGEMENT

The Company's capital management objective is to maximize shareholder returns while ensuring that the Company is capitalized in a manner which appropriately supports regulatory requirements, working capital needs and business expansion. The Company's capital management practices are focused on preserving the quality of its financial position by maintaining a solid capital base and a strong balance sheet. Capital of the Company consists of long-term debt, preferred shares and shareholders' equity.

The Company's capital is primarily utilized in its ongoing business operations to support working capital requirements, long-term investments made by the Company, business expansion and other strategic objectives. Subsidiaries subject to regulatory capital requirements include trust companies, securities dealers and mutual fund dealers. The Company's subsidiaries have complied with all regulatory capital requirements.

Capital management activities for the three months ended March 31, 2008 included: the repurchase of 735,000 common shares at a cost of $31.3 million under the normal course issuer bid (Note 4); and the declaration of preferred share dividends of $5.2 million and common share dividends of $128.6 million. Changes in common share capital are reflected in the Consolidated Statements of Changes in Shareholders' Equity. Long-term debt of $1.2 billion and preferred shares of $360 million remain unchanged.

6. RISK MANAGEMENT

The Company actively manages risks that arise as a result of its use of financial instruments. These risks include liquidity, credit and market risk.

Liquidity Risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due.

A key liquidity requirement for the Company is the funding of commissions paid on the sale of mutual funds. Commissions paid continue to be fully funded through ongoing cash flow from operations.

The Company also maintains sufficient liquidity to fund and temporarily hold mortgages. Through its mortgage operations, these mortgages are sold to third parties, including bank-sponsored securitization trusts and a mutual fund managed by Investors Group, on a fully serviced basis.

Liquidity requirements for trust subsidiaries which engage in financial intermediary activities are based on policies approved by the investment and conduct review committees of their respective Boards of Directors. As at March 31, 2008, liquidity for the trust subsidiaries was in compliance with these policies.

The Company's contractual maturities were as follows:

As at March 31, 2008 *($ millions)*	DEMAND	LESS THAN 1 YEAR	1 – 5 YEARS	AFTER 5 YEARS	TOTAL
Deposits and certificates	**$ 736.7**	**$ 89.7**	**$ 107.7**	**$ 5.9**	**$ 940.0**
Long-term debt	**–**	**–**	**450.0**	**750.0**	**1,200.0**
Other liabilities	**99.8**	**5.2**	**51.7**	**–**	**156.7**
Operating leases[1]	**–**	**38.0**	**106.1**	**92.0**	**236.1**
Total contractual obligations	**$ 836.5**	**$ 132.9**	**$ 715.5**	**$ 847.9**	**$ 2,532.8**

(1) Includes office space and equipment used in the normal course of business. Lease payments are charged to earnings in the period of use.

In addition to IGM Financial's current balance of cash and cash equivalents, other potential sources of liquidity include the Company's lines of credit and portfolio of securities. The Company maintains uncommitted operating lines of credit totalling $260 million with various Schedule I Canadian chartered banks. The Company has also demonstrated an ability to raise funds in domestic debt and equity markets. The Company's continued ability to access capital markets to raise funds is dependent on market conditions that are subject to change. The Company's exposure to and management of liquidity risk has not changed materially since December 31, 2007.

6. RISK MANAGEMENT *(continued)*

Credit Risk

Credit risk is the potential for financial loss to the Company if a counterparty in a transaction fails to meet its obligations. The Company's cash and cash equivalents, securities holdings, mortgage and personal loan portfolios, and derivatives are subject to credit risk. The Company monitors its credit risk management policies continuously to evaluate their effectiveness.

Cash and cash equivalents primarily consist of highly liquid temporary deposits with Canadian chartered banks, debt securities issued by the Canadian and provincial governments, bankers' acceptances and commercial paper. All non-bank-sponsored ABCP, which totalled $40.3 million net of impairment charges and represents the maximum exposure to credit risk at March 31, 2008, is included in Securities. Refer to Note 2 for information related to the valuation of ABCP. The Company regularly reviews the credit ratings of its counterparties. The maximum exposure to credit risk on these financial instruments is their carrying value. The Company mitigates credit risk on these financial instruments by adhering to its Investment Policy that outlines credit risk parameters and concentration limits.

The Company regularly reviews the credit quality of the mortgage and personal loan portfolios and the adequacy of the general allowance. As at March 31, 2008 mortgages and personal loans totalled $304.8 million and $328.4 million, respectively. The allowance for credit losses of $7.8 million at March 31, 2008 exceeded impaired mortgages and personal loans by $7.1 million. As at March 31, 2008, the mortgage portfolios were geographically diverse, 100% residential and 63% insured. All loans are secured by underlying real estate or securities. The characteristics of the mortgage and personal loan portfolios have not changed materially since December 31, 2007.

The Company regularly reviews the credit quality of the mortgage loans securitized through bank-sponsored securitization trusts. The bank sponsors are Schedule I Chartered banks. The maximum exposure to credit risk attributable to mortgage loans securitized through bank-sponsored securitization trusts is equal to the value of the retained interests in the securitized loans, which was $99.1 million at March 31, 2008.

The Company also regularly reviews the credit ratings of derivative financial instrument counterparties. Derivative contracts are either exchange traded or negotiated in the over-the-counter market on a diversified basis with Schedule I and Schedule II Chartered banks or bank-sponsored securitization trusts that are also counterparties to the Company's securitization transactions. The exposure to credit risk, which is limited to the fair value of those instruments which were in a gain position, was $64.6 million at March 31, 2008. This does not give effect to any netting agreements or collateral arrangements.

The Company's exposure to and management of credit risk has not changed materially since December 31, 2007.

Market Risk

Market risk is the potential for loss to the Company from changes in the values of its financial instruments due to changes in interest rates, foreign exchange rates or equity prices. The Company's financial instruments are generally denominated in Canadian dollars, and do not have significant exposure to changes in foreign exchange rates.

The Company is exposed to interest rate risk on its loan portfolio and on certain of the derivative financial instruments used in the Company's mortgage banking and intermediary operations. The objective of the Company's asset liability management is to control interest rate risk by actively managing its interest rate exposure. As at March 31, 2008, the total gap between one-year deposit assets and liabilities was within the Company's stated guidelines. The Company utilizes interest rate swaps in order to reduce the impact of fluctuating interest rates on its mortgage banking and intermediary operations, including exposures arising from interest rate swaps related to securitization arrangements. As at March 31, 2008, the impact of a 100-basis point change in interest rates to Net income would have been $1.7 million.

6. RISK MANAGEMENT *(continued)*

Market Risk *(continued)*

The Company is exposed to equity price risk on its securities holdings and on certain of its derivative financial instruments. The Company adheres to an Investment Policy that outlines the objectives, constraints and parameters relating to its investing activities. This policy prescribes limits around the quality and concentration of investments held by the Company. Management regularly reviews the Company's investments to ensure all activities are in adherence to the Investment Policy, and regularly reviews the portfolio to identify holdings where there has been an other than temporary decline in value. The Company manages its exposure to equity price risk on its corporate securities portfolio by using a variety of derivative instruments including options and forward contracts.

The Company's securities holdings are classified as available for sale, therefore unrealized gains and losses on securities not designated as part of a hedging relationship are recorded in Other comprehensive income until realized. As at March 31, 2008, the impact of a 10% decrease in the value of the Company's securities portfolio would have been a $45.5 million unrealized loss recorded in Other comprehensive income.

The Company's exposure to and management of interest rate and other price risk have not changed materially since December 31, 2007.

7. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	NET UNREALIZED GAINS (LOSSES), NET OF TAX			
Three months ended March 31	AVAILABLE FOR SALE SECURITIES	CASH FLOW HEDGES	OCI RELATED TO INVESTMENT IN AFFILIATE AND OTHER	TOTAL
2008				
Balance, beginning of period	**$ 18,334**	**$ –**	**$ (60,434)**	**$ (42,100)**
Other comprehensive loss	**(31,491)**	**–**	**(4,996)**	**(36,487)**
Balance, end of period	**$ (13,157)**	**$ –**	**$ (65,430)**	**$ (78,587)**
2007				
Balance, beginning of period	$ –	$ –	$ (39,777)	$ (39,777)
Change in accounting policy	81,374	(35,035)	–	46,339
Other comprehensive income (loss)	(33,437)	23,707	16,582	6,852
Balance, end of period	$ 47,937	$ (11,328)	$ (23,195)	$ 13,414

8. INCOME TAXES ON COMPONENTS OF OTHER COMPREHENSIVE INCOME (LOSS)

	THREE MONTHS ENDED MARCH 31 **2008**	2007
Net unrealized gains (losses) on available for sale securities	**$ 5,444**	$ 7,340
Net unrealized gains (losses) on cash flow hedges	**–**	(5,088)
Total income taxes	**$ 5,444**	$ 2,252

9. STOCK-BASED COMPENSATION

	MARCH 31 2008	DECEMBER 31 2007
Common share options		
– Outstanding	**9,692,119**	9,085,730
– Exercisable	**5,323,257**	4,768,705

In the first quarter of 2008, the Company granted 1,000,230 options to employees (2007 – 1,565,820). A portion of the options granted to employees are subject to performance targets. The weighted-average fair value of time vesting options granted during the three months ended March 31, 2008 has been estimated at $5.41 per option (2007 – $8.64) using the Black-Scholes option pricing model. The weighted-average fair value of performance based options granted during the three months ended March 31, 2008 has been estimated at $1.60 per option (2007 – $4.63) using a barrier option pricing model. The assumptions used in these valuation models include: (i) risk-free interest rate of 3.28% (2007 – 3.97%), (ii) expected option life of six years (2007 – six years), (iii) expected volatility of 20.00% (2007 – 20.00%) and (iv) expected dividend yield of 4.51% (2007 – 3.36%).

The Company recorded compensation expense related to its stock option program of $1.8 million (2007 – $1.7 million) for the three months ended March 31, 2008.

10. EMPLOYEE FUTURE BENEFITS

The Company recorded pension and other post-retirement benefits expense as follows:

	THREE MONTHS ENDED MARCH 31 2008	2007
Pension expense	**$ (646)**	$ (187)
Other post-retirement benefits expense	**1,298**	1,220
Total	**$ 652**	$ 1,033

11. EARNINGS PER COMMON SHARE

	THREE MONTHS ENDED MARCH 31 2008	2007
Earnings		
Net income	**$ 211,203**	$ 210,549
Number of common shares *(in thousands)*		
Average number of common shares outstanding	**264,116**	264,944
Add:		
– Potential exercise of outstanding stock options	**2,038**	2,727
Average number of common shares outstanding – Diluted basis	**266,154**	267,671
Earnings per common share *(in dollars)*		
Basic	**$ 0.80**	$ 0.79
Diluted	**$ 0.79**	$ 0.79

In certain circumstances, the preferred shares are convertible into common shares. These conversions are not included in the calculation of diluted earnings per share as the Company has the option to settle in cash instead of shares.

12. SEGMENTED INFORMATION

				2008
Three months ended March 31	INVESTORS GROUP	MACKENZIE	CORPORATE AND OTHER	TOTAL
Fee and net investment income				
Management	$ 278,889	$ 201,142	$ 10,618	$ 490,649
Administration	52,369	34,359	774	87,502
Distribution	38,051	8,643	28,993	75,687
Net investment income and other	42,902	6,847	11,095	60,844
	412,211	250,991	51,480	714,682
Operating expenses				
Commissions	117,853	90,584	26,557	234,994
Non-commission	79,464	77,891	10,056	167,411
	197,317	168,475	36,613	402,405
Earnings before undernoted	$ 214,894	$ 82,516	$ 14,867	312,277
Interest expense				21,990
Income before income taxes and non-controlling interest				290,287
Income taxes				78,555
Income before non-controlling interest				211,732
Non-controlling interest				529
Net income				$ 211,203
Identifiable assets	$ 1,640,173	$ 2,596,034	$ 1,273,789	$ 5,509,996
Goodwill	1,347,781	965,192	78,529	2,391,502
Total assets	$ 2,987,954	$ 3,561,226	$ 1,352,318	$ 7,901,498

12. SEGMENTED INFORMATION *(continued)*

				2007
Three months ended March 31	Investors Group	Mackenzie	Corporate and Other	Total
Fee and net investment income				
Management	$ 284,028	$ 216,651	$ 11,157	$ 511,836
Administration	48,372	34,892	493	83,757
Distribution	30,153	8,119	23,897	62,169
Net investment income and other	45,816	6,605	10,608	63,029
	408,369	266,267	46,155	720,791
Operating expenses				
Commissions	111,307	97,712	22,385	231,404
Non-commission	72,851	76,085	8,263	157,199
	184,158	173,797	30,648	388,603
Earnings before undernoted	$ 224,211	$ 92,470	$ 15,507	332,188
Interest expense				21,851
Income before income taxes and non-controlling interest				310,337
Income taxes				99,147
Income before non-controlling interest				211,190
Non-controlling interest				641
Net income				$ 210,549
Identifiable assets	$ 1,542,568	$ 2,543,534	$ 1,009,491	$ 5,095,593
Goodwill	1,347,781	943,550	81,313	2,372,644
Total assets	$ 2,890,349	$ 3,487,084	$ 1,090,804	$ 7,468,237

Shareholder Information

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Transfer Agent and Registrar
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Company of Canada

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Stock Exchange Listing
Toronto Stock Exchange
Shares of IGM Financial Inc. are listed on the Toronto Stock Exchange under the following listings:
Common Shares: IGM
First Preferred Shares, Series A:
IGM.PR.A

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Si vous préférez recevoir ce rapport en français, veuillez vous adresser au Secrétaire de Société financière IGM Inc.,
447 Portage Avenue,
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Normal Course Issuer Bid
The Company has renewed its Normal Course Issuer Bid through the facilities of the Toronto Stock Exchange from March 22, 2008 to March 21, 2009. During the course of the Bid, the Company intends to purchase for cancellation up to but not more than 13,199,884 common shares, being approximately 5% of its outstanding capital. Shareholders may obtain a copy of the Bid, without charge, by contacting the Corporate Secretary's Department at the Company's Head Office.

Websites
Visit our websites at
www.igmfinancial.com
www.investorsgroup.com
www.mackenziefinancial.com
www.ipcc.ca

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