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# IGM FINANCIAL Q3, 2009 Results

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October 30, 2009

**IGM**  
Financial

# IGM Financial – Conference Call Participants

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**Charles R. Sims**

President & CEO,  
Mackenzie

Co - President & CEO,  
IGM Financial

**Murray J. Taylor**

President & CEO,  
Investors Group

Co - President & CEO,  
IGM Financial

**Gregory D. Tretiak**

Executive Vice President  
& CFO,  
IGM Financial

# Caution Concerning Forward Looking Statements

Certain statements in this report other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect IGM Financial's current expectations. Forward-looking statements are provided for the purposes of assisting the reader in understanding the Company's financial position and results of operations as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Company, as well as the outlook for North American and international economies, for the current fiscal year and subsequent periods. 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", "seeks", "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".

This information is based upon certain material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking statements, including the perception of historical trends, current conditions and expected future developments, as well as other factors that are believed to be appropriate in the circumstances.

By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved.

A variety of material factors, many of which are beyond the Company's, and its subsidiaries' control, affect the operations, performance and results of the Company, and its subsidiaries, and their businesses, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to: the impact or unanticipated impact of 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 (including adoption of International Financial Reporting Standards), operational and reputational risks, 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, integrate acquisitions and implement other growth strategies, and the Company's success in anticipating and managing the foregoing factors.

The reader is cautioned that the foregoing list of factors is not exhaustive of the factors that may affect any of the Company's forward-looking statements. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not place undue reliance on forward-looking statements. Other than as specifically required by law, the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Additional information about the risks and uncertainties of the Company's business is provided in its disclosure materials filed with the securities regulatory authorities in Canada, available at [www.sedar.com](http://www.sedar.com).

# Non-GAAP Financial Measures

This report may also contain non-GAAP financial measures. Non-GAAP financial measures are used to provide management and investors with additional measures of performance. However, we caution that non-GAAP financial measures do not have standard meanings prescribed by GAAP and are not directly comparable to similar measures used by other companies. Specific instances of such measures that may be referred to within this document includes “Operating Income before Interest and Taxes”.

“Adjusted Net Income” and “Adjusted Earnings Per Share” for the three month period ended December 31, 2008 excludes \$60.3 million which represented the Company’s proportionate share of Great West Lifeco Inc.’s after-tax impairment charge related to goodwill and indefinite life intangible assets.

We refer you to the appropriate reconciliation in the Management’s Discussion and Analysis of these non-GAAP financial measures to measures prescribed by GAAP.

# Documents Incorporated by Reference

Readers of this presentation are directed to the following documents relating to IGM Financial's results:

- IGM Financial Q3, 2009 financial results press release issued October 29, 2009. This press release includes a discussion of financial highlights as well as summary income statements.
- IGM Financial Q3, 2009 consolidated financial statements and notes issued October 29, 2009.
- IGM Financial Q3, 2009 Management Discussion and Analysis ("MD&A"), which will be issued within a week following the date of this presentation.
- IGM Financial 2008 Annual Report which was issued March 18, 2009 and the Second Quarter Report to Shareholders issued July 29, 2009.

Each of these documents are made available on the Company's website at [www.igmfinancial.com](http://www.igmfinancial.com) and also at [www.sedar.com](http://www.sedar.com).



- 1. Highlights**

2. Mackenzie

3. Investors Group

# IGM Financial Highlights – Earnings

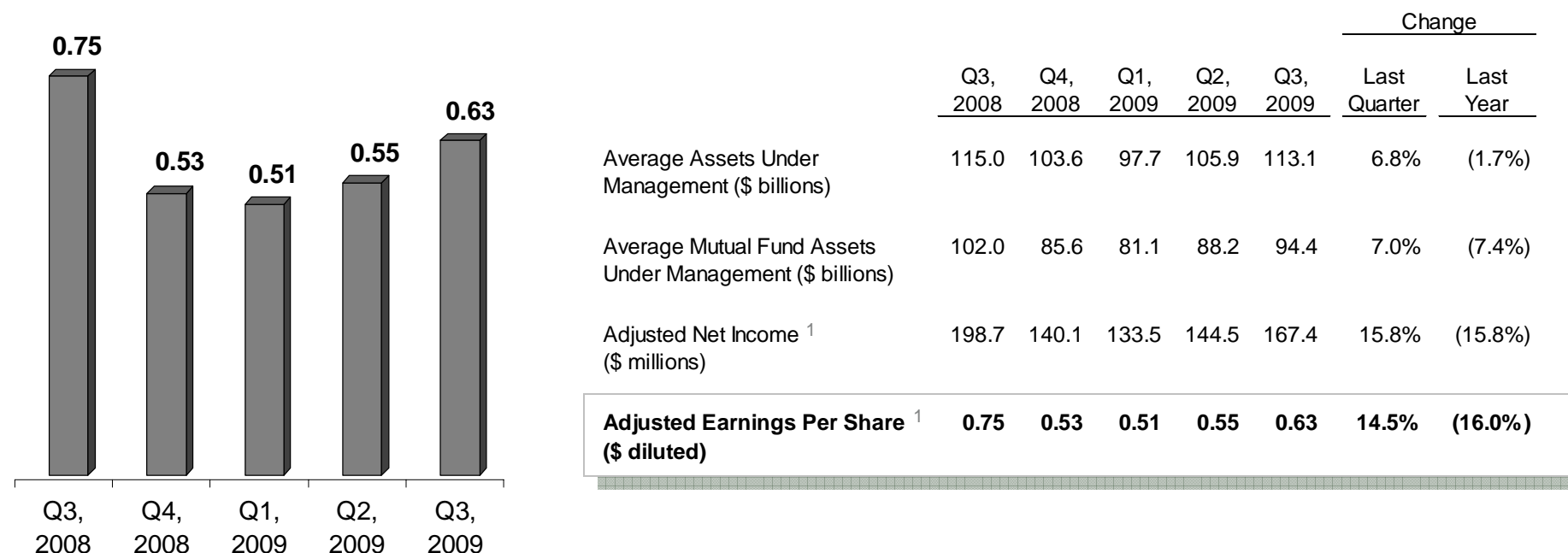
- *During the third quarter of 2009, IGM Financial had Net Income of \$167.4 million, an increase of 15.8% from Q2, 2009.*

	<u>Q3, 2008</u>	<u>Q2, 2009</u>	<u>Q3, 2009</u>	<u>Change</u>	
				<u>Last Quarter</u>	<u>Last Year</u>
Net Income (millions)	\$ 198.7	\$ 144.5	\$ 167.4	15.8%	(15.8%)
Earnings Per Share (diluted)	\$ 0.75	\$ 0.55	\$ 0.63	14.5%	(16.0%)
Dividends Per Share	\$ 0.5125	\$ 0.5125	\$ 0.5125	-	-

# IGM Financial Highlights – Earnings

- *During Q3, 2009, Earnings Per Share increased by 14.5% relative to Q2, 2009, above the increase in average assets under management of 6.8%.*

## Adjusted Earnings Per Share (\$ diluted) <sup>1</sup>



1. The three month period ended December 31, 2008 has been adjusted to exclude \$60.3 million which represented the Company's proportionate share of Great West Lifeco Inc.'s impairment charge related to goodwill and intangible assets.



# IGM Financial Highlights – Gross Sales

- *IGM Financial had gross sales of \$3.6 billion during Q3, 2009 and \$12.3 billion year to date.*

## IGM Financial Investment Product Gross Sales (\$ Millions)

	Three months ended September 30, 2009				Nine months ended September 30, 2009			
	Investors Group	Mackenzie	Counsel	IGM Financial	Investors Group	Mackenzie	Counsel	IGM Financial
Long term mutual funds	945	803	68	1,816	2,911	2,792	177	5,880
Short term mutual funds	189	194	19	402	755	699	46	1,500
Total mutual funds	1,134	997	87	2,218	3,666	3,491	223	7,380
Institutional		1,443 <sup>1</sup>		1,386 <sup>1</sup>		5,201 <sup>1</sup>		4,925 <sup>1</sup>
Total	1,134	2,440	87	3,604	3,666	8,692	223	12,305

1. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel. These mandates had gross sales of \$57 million during Q3, 2009 and \$276 million year to date.

# IGM Financial Highlights – Net Sales

- *IGM Financial experienced net redemptions of \$16 million during Q3, 2009 and \$709 million year to date.*

## IGM Financial Investment Product Net Sales (\$ Millions)

	Three months ended September 30, 2009				Nine months ended September 30, 2009			
	Investors Group	Mackenzie	Counsel	IGM Financial	Investors Group	Mackenzie	Counsel	IGM Financial
Long term mutual funds	76	(366)	19	(271)	243	(808) <sup>2</sup>	28	(517) <sup>2</sup>
Short term mutual funds	(40)	(73)	13	(100)	7	(350)	24	(319)
Total mutual funds	36	(439)	32	(371)	250	(1,158)	52	(836)
Institutional		377 <sup>1</sup>		355 <sup>1</sup>		262 <sup>1</sup>		127 <sup>1</sup>
Total	36	(62)	32	(16)	250	(896)	52	(709)

1. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel. These mandates had net sales of \$22 million during Q3, 2009 and \$135 million year to date.
2. Includes investment in Mackenzie mutual funds by mutual funds managed by Counsel. These mandates had net redemptions of \$20 million during Q1, 2009.



# IGM Financial Highlights – Assets Under Management

- *IGM Financial's assets under management increased by 7.5% during Q3, 2009.*

(\$ Billions)	Sep 30, 2008	Dec 31, 2008	Mar 31, 2009	Jun 30, 2009	Sep 30, 2009	Change	
						Last Quarter	Last Year
<b>Assets Under Management (as at end of period)</b>							
<b>IGM Financial</b>	<b>118.5</b>	<b>101.7</b>	<b>98.7</b>	<b>109.6</b>	<b>117.9</b>	<b>7.5%</b>	<b>(0.5%)</b>
Investors Group	54.3	47.5	46.6	52.5	56.6	7.7%	4.2%
Mackenzie <sup>1,2</sup>	64.8	54.7	52.6	57.8	62.0	7.3%	(4.2%)
Counsel Group of Funds <sup>1</sup>	1.9	1.7	1.7	1.8	2.0	10.4%	5.1%
<b>Average Assets Under Management (for the period ended)</b>							
<b>IGM Financial</b>	<b>115.0</b>	<b>103.6</b>	<b>97.7</b>	<b>105.9</b>	<b>113.1</b>	<b>6.8%</b>	<b>(1.7%)</b>
Investors Group	57.3	48.0	45.7	50.4	54.2	7.5%	(5.3%)
Mackenzie <sup>1,2</sup>	58.3	56.1	52.4	56.0	59.5	6.2%	2.1%
Counsel Group of Funds <sup>1</sup>	2.1	1.7	1.7	1.8	1.9	8.0%	(6.8%)

1. Includes certain items not included within reporting to the Investment Funds Institute of Canada ("IFIC"). These items include the Mackenzie Alternative Strategies Fund and investments of certain Counsel funds in the units of mutual funds managed by other members of IFIC.
2. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group or Counsel Fund Management. These mandates had assets under management of \$2.7 billion at September 30, 2009.

# Operating Environment – Industry Sales Mix

- *The industry experienced positive flows into long term funds during Q3, 2009 and experienced net outflows after consideration of money market funds.*

## Industry Mutual Fund Net Sales by Primary Distribution Emphasis (\$ Billions) Three months ended September 30

	Long Term Funds			Total Funds		
	2008	2009	Change	2008	2009	Change
<b>Gross Sales</b>						
Advice	12.0	10.3	(14.5%)	14.7	11.7	(20.4%)
Deposit takers	7.5	10.0	33.4%	24.1	20.2	(16.4%)
Direct	0.5	0.8	45.8%	0.9	1.0	5.0%
Total	20.0	21.0	5.0%	39.8	32.9	(17.4%)
<b>Net Sales</b>						
Advice	(1.2)	0.2		(1.1)	(0.4)	
Deposit takers	(0.4)	4.0		(1.0)	(1.1)	
Direct	(0.5)	0.2		(0.6)	0.2	
Total	(2.1)	4.5		(2.7)	(1.3)	

Deposit Takers includes BMO Financial Group (includes Guardian funds effective July, 2009); CIBC Asset Management (adjusted to exclude Talvest funds and CM funds); Ethical Funds; HSBC Investments; National Bank Securities (includes Altamira); Fonds Desjardins; RBC Asset Management; Scotia Securities and TD Asset Management. Direct includes; Phillips, Hager & North; Sceptre Asset Management and Tradex Funds.

Source: IFIC, CI Investments is estimated (CI discontinued reporting to IFIC effective December 2008)

# Operating Environment – Industry Sales Mix

- ♦ *There were net sales into long term income-oriented and balanced funds during Q3, 2009.*

## Industry Mutual Fund Net Sales (\$ Billions)

	Q1, 2006	Q2, 2006	Q3, 2006	Q4, 2006	Q1, 2007	Q2, 2007	Q3, 2007	Q4, 2007	Q1, 2008	Q2, 2008	Q3, 2008	Q4, 2008	Q1, 2009	Q2, 2009	Q3, 2009
Income-oriented	5.7	1.3	1.4	2.4	3.4	2.0	0.3	(0.1)	(0.1)	1.2	(0.5)	(2.6)	1.1	3.1	3.4
<i>Share of Long Term</i>	51%	57%	228%	46%	23%	30%	11%	(9%)	7%	172%	25%	32%	263%	104%	76%
Balanced	4.0	1.6	0.8	2.3	6.1	3.6	2.3	2.0	1.6	2.1	0.1	(2.7)	0.5	1.7	2.7
<i>Share of Long Term</i>	36%	74%	134%	45%	41%	52%	76%	156%	(165%)	308%	(7%)	33%	120%	55%	61%
Equity	1.5	(0.7)	(1.6)	0.4	5.3	1.2	0.4	(0.6)	(2.5)	(2.6)	(1.7)	(2.8)	(1.2)	(1.8)	(1.7)
<i>Share of Long Term</i>	13%	(31%)	(262%)	9%	36%	18%	13%	(47%)	258%	(380%)	82%	35%	(283%)	(59%)	(37%)
Total Long Term	11.2	2.2	0.6	5.1	14.8	6.8	3.0	1.3	(1.0)	0.7	(2.1)	(8.1)	0.4	3.0	4.5
Money market	(1.8)	(1.4)	1.5	2.0	1.5	1.1	(0.7)	5.6	8.9	3.4	(0.6)	(1.1)	3.2	(2.8)	(5.7)
Total	9.4	0.8	2.1	7.1	16.3	7.9	2.3	6.9	7.9	4.0	(2.7)	(9.2)	3.6	0.2	(1.3)

Source: IFIC

Classifications are based upon CIFSC categories.

"Money Market", "U.S. Money Market", and "Specialty and Miscellaneous" categories have been excluded. This equates to excluding the "Money Market" and "Mortgage" categories used by IFIC.

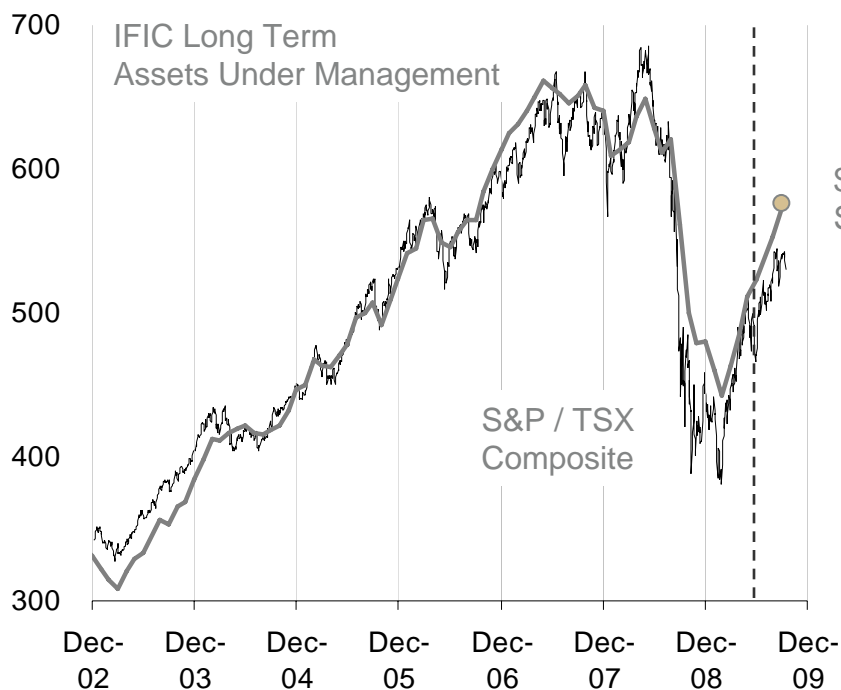


# Operating Environment – Financial Markets

- During Q3, 2009, industry long term mutual fund assets under management increased by 9.5% due to increases in global equity markets.

## Canadian Mutual Fund Industry

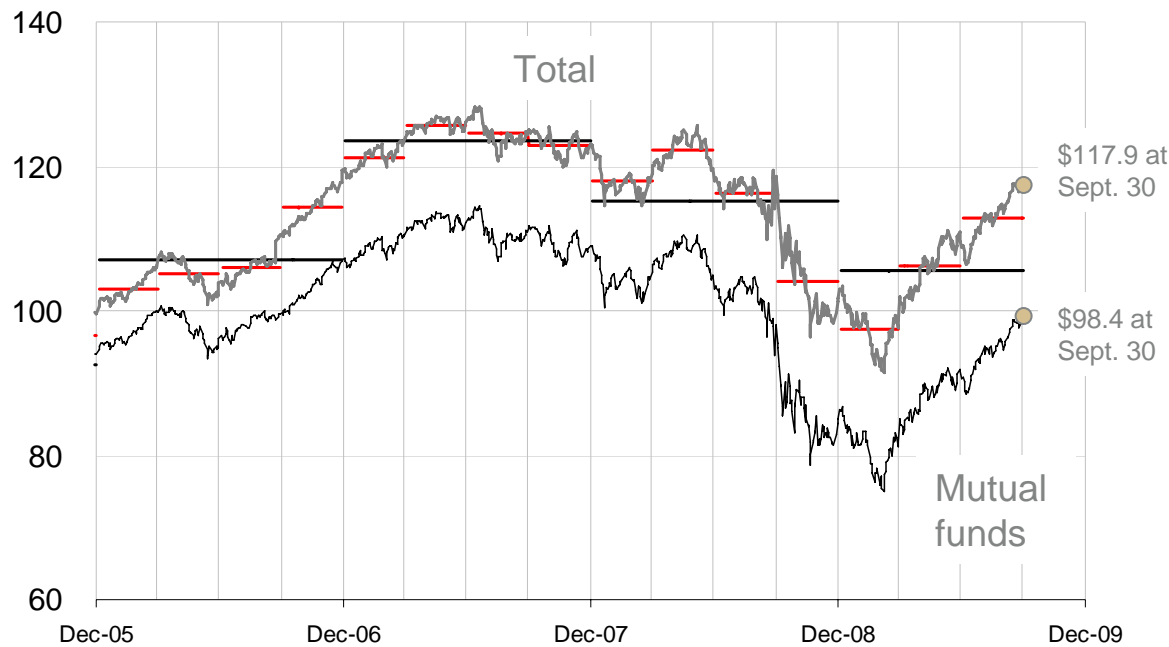
### Long Term Mutual Fund Assets Under Management (\$ Billions)



	Q3, 2009	Q4, 2009 at Oct 29/09
IFIC Long Term Assets	9.5%	
S&P / TSX Composite	9.8%	(2.8%)
S&P 500	15.0%	0.9%
Dow Jones Industrial	15.0%	2.6%
Nasdaq Composite	15.7%	(1.2%)
FTSE 100	20.8%	0.1%
DAX	18.0%	(1.5%)
Nikkei 225	1.8%	(2.4%)
US dollar relative to CAD	(8.0%)	(0.3%)
Euro relative to CAD	(4.0%)	1.0%

# IGM Financial Highlights – Assets Under Management (\$ Billions)

- ♦ *Average total assets under management increased by 6.8% during Q3, 2009 relative to Q2, 2009 and declined by 1.7% relative to Q3, 2008.*
- ♦ *Average mutual fund assets under management increased by 7.0% during Q3, 2009 relative to Q2, 2009 and declined by 7.4% relative to Q3, 2008.*



1,2

Average Assets Under Management		
	Total	Mutual funds
Q3, 2009	113.1	94.4
Q3, 2009 versus Q3, 2008	(1.7%)	(7.4%)
Q3, 2009 versus Q2, 2009	6.8%	7.0%
Q3, 2008	115.0	102.0
Q2, 2009	105.9	88.2

Annual Average  
 Quarterly Average

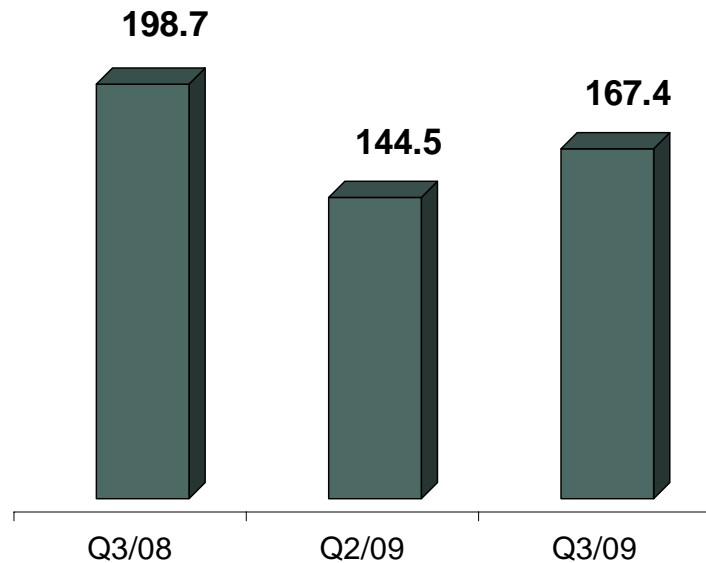
1. Includes institutional assets of Cundill Group effective September 22, 2006 (\$3.3 billion at time of acquisition).  
 2. Includes assets of Saxon effective September 25, 2008 (\$1.8 billion in mutual funds and \$10.4 billion in institutional).



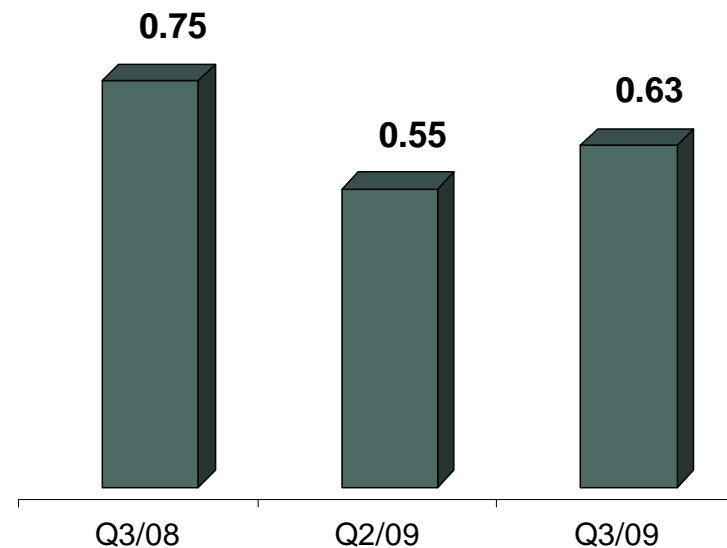
# IGM Financial Highlights – Net Income

- *IGM Financial's Net Income was \$167.4 million and Earnings Per Share were 63 cents during the three month period ended September 30, 2009.*

Net Income  
(\$ Millions)



Earnings Per Share  
(\$ diluted)







1. Highlights

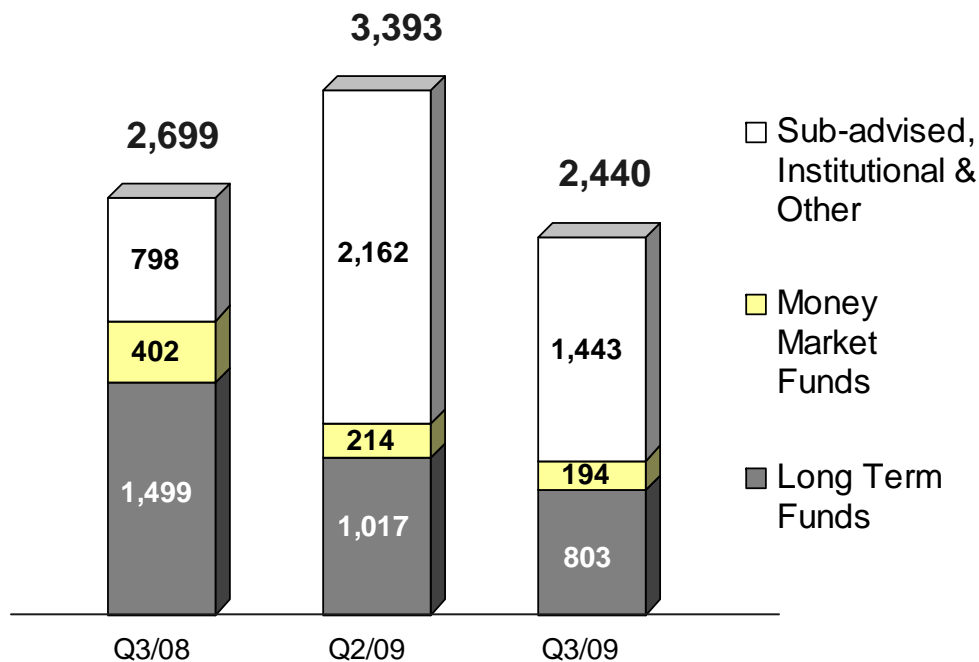
**2. Mackenzie**

3. Investors Group

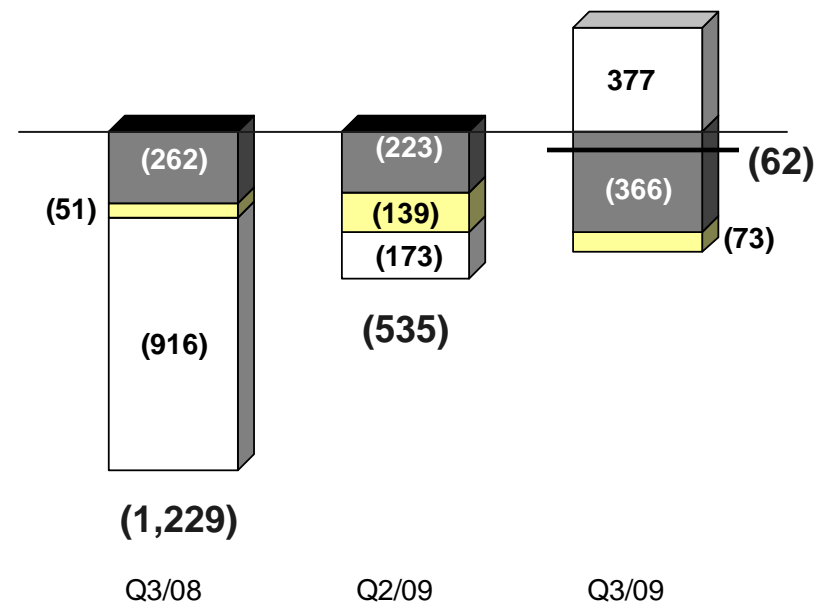
# Mackenzie Sales

- *Mackenzie had gross sales of \$2.4 billion during the third quarter of 2009 and net redemptions of \$62 million.*

Gross Sales of Investment Products (\$ Millions) <sup>1</sup>



Net Sales of Investment Products (\$ Millions) <sup>1</sup>

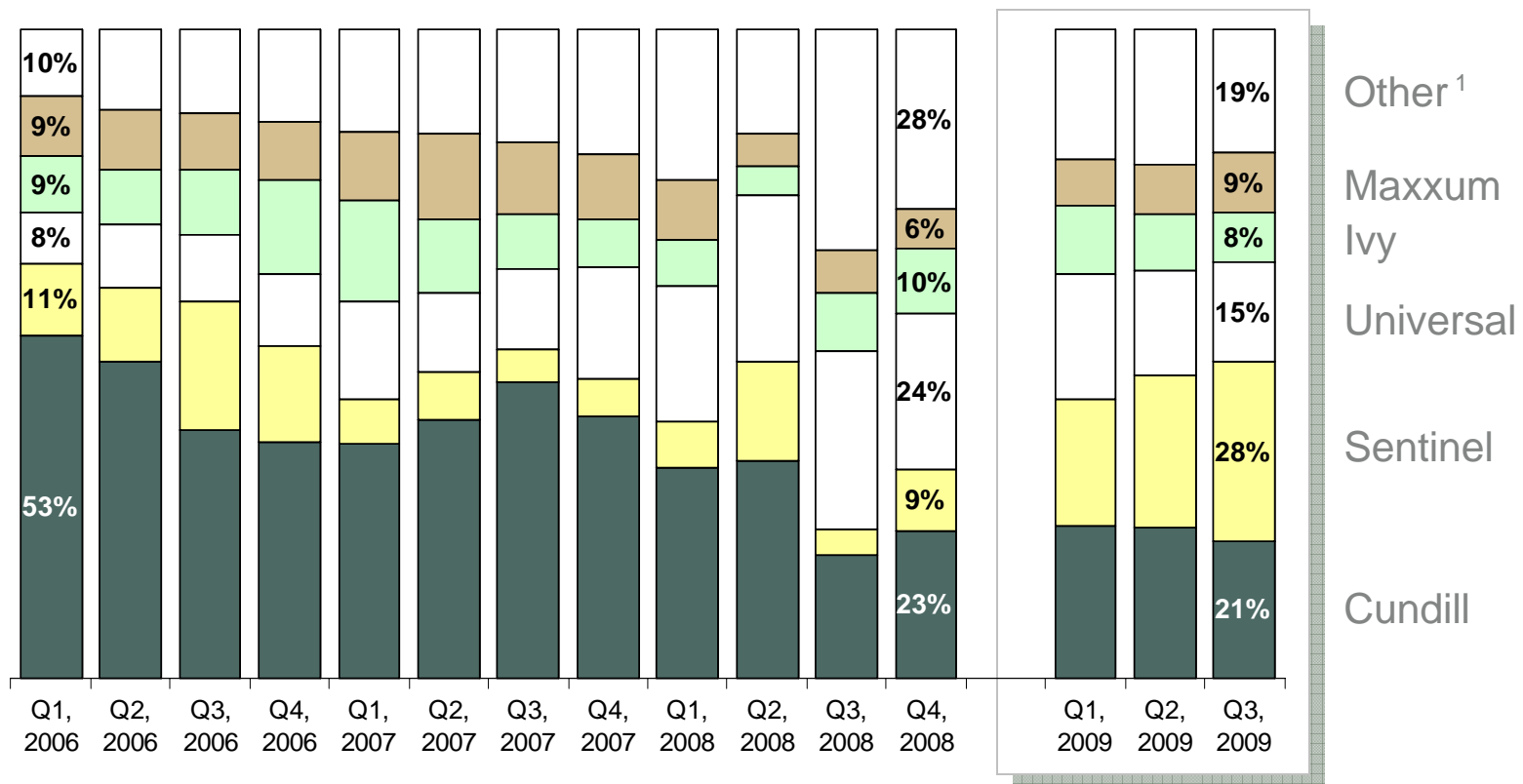


1. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel.

# Mackenzie Mutual Fund Gross Sales

- ◆ *Mackenzie's gross sales of long term mutual funds have been diversified across sub-brands during 2009.*

Gross Sales Mix of Long Term Mutual Funds by Mackenzie Sub-Brand

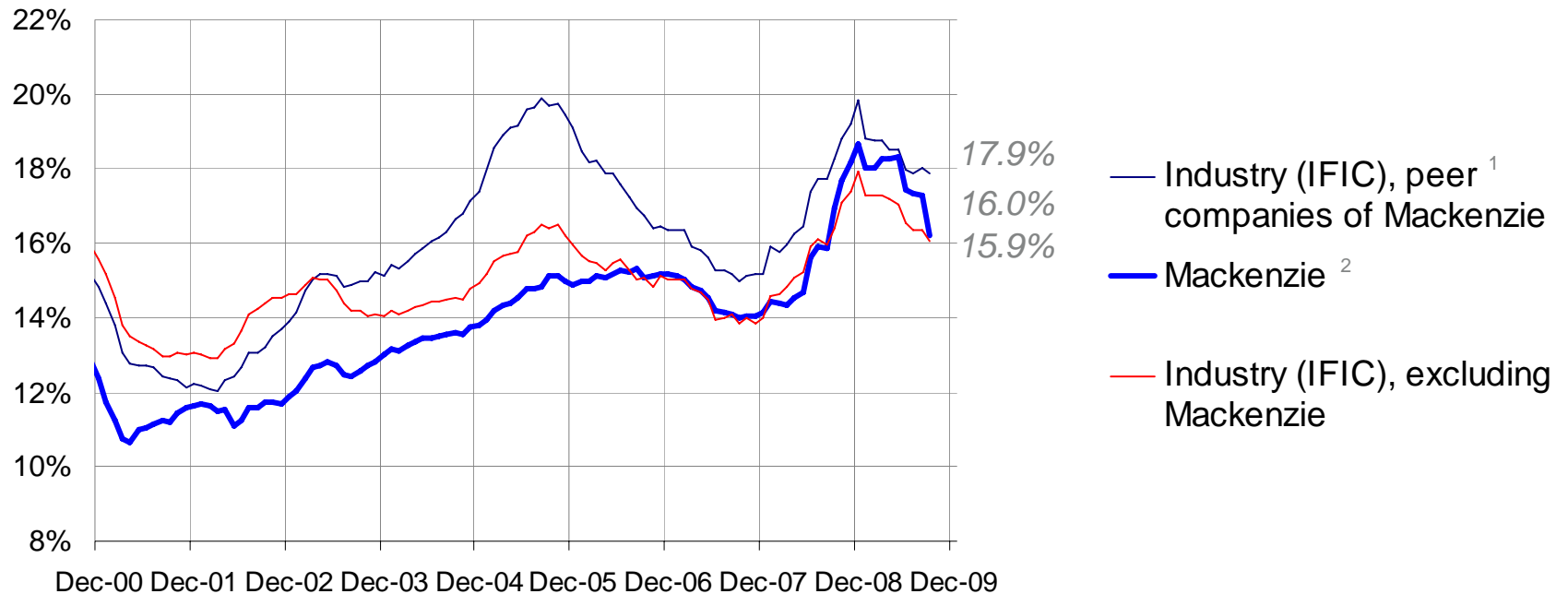


1. Includes Destination Funds, Founders Funds, Saxon, Symmetry, Quadrus and other funds.

# Mackenzie Mutual Fund Redemption Rate

- *Mackenzie's redemption rate on long term mutual funds of 16.0% is below its peer group average of 17.9%.*

**Redemption Rate on Long Term Mutual Funds**  
 (Last Twelve Month Trailing % of Average Assets Under Management)<sup>3</sup>



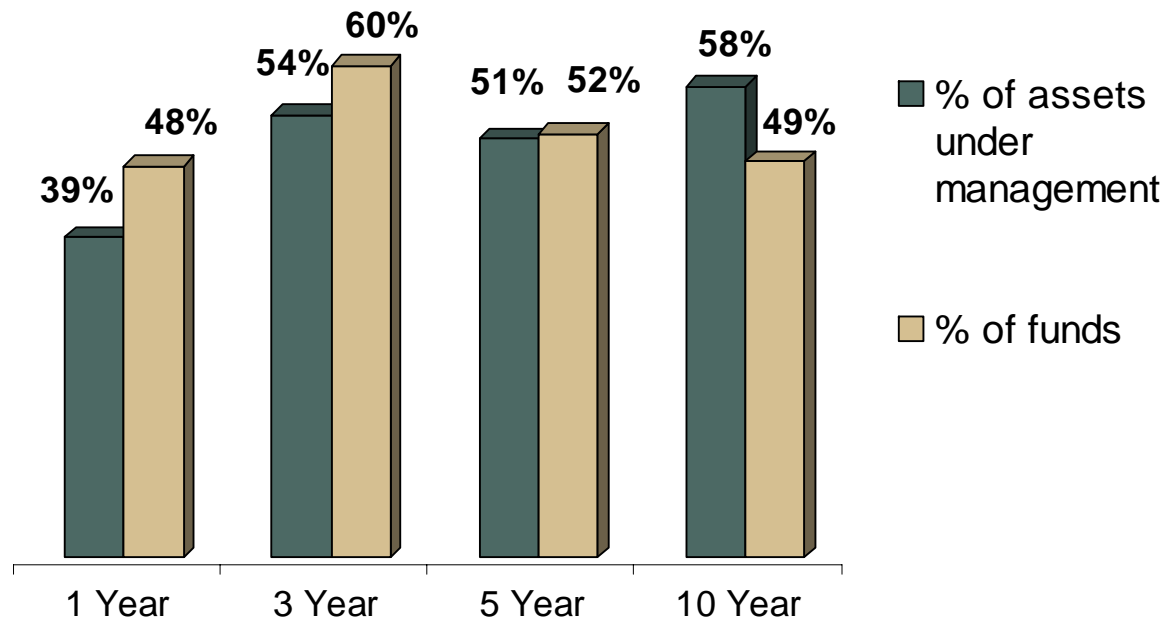
1. Represents total industry reported by IFIC, adjusted to exclude Mackenzie, Investors Group, deposit takers and direct distributors.  
 2. Mackenzie has been retroactively restated to include Maxxum redemptions (Maxxum operations were transferred to Mackenzie October 5, 2001).  
 3. All numbers have been retroactively restated to exclude CI Investments. CI discontinued reporting to IFIC during December, 2008.

Source: IFIC

# Mackenzie Investment Performance

- ◆ *58% of Mackenzie's mutual fund assets reside within funds which have first or second quartile performance over the last ten years.*

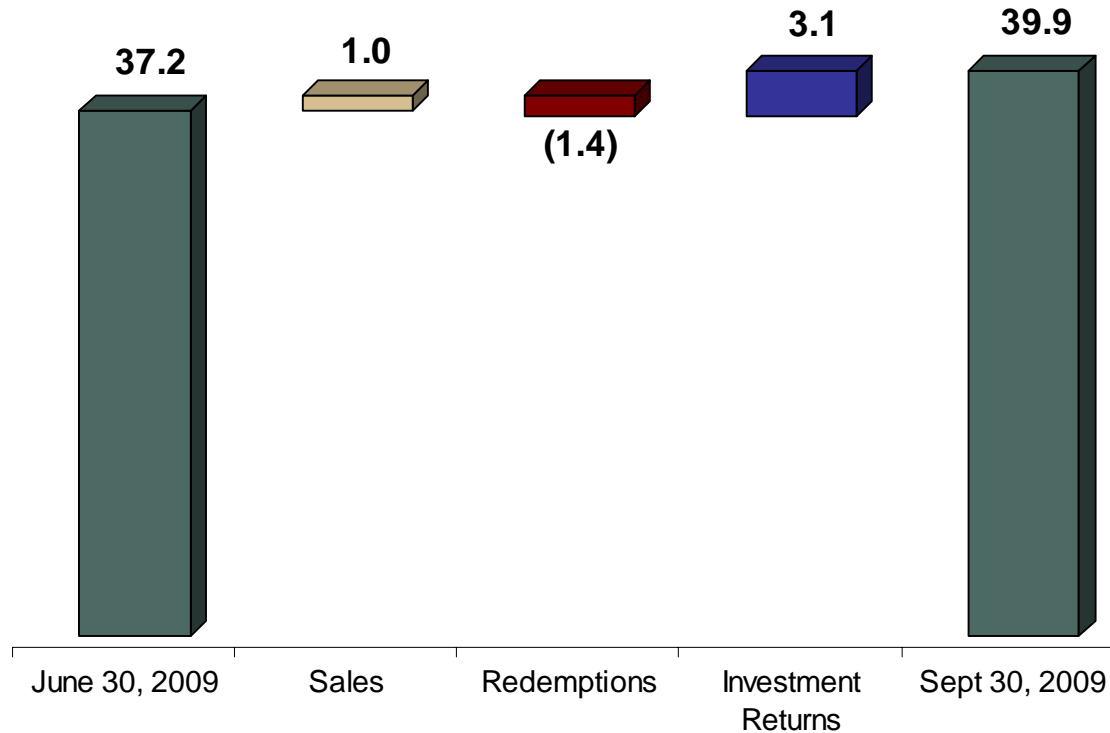
Mackenzie Mutual Funds in First or Second Quartile  
As at September 30, 2009



# Mackenzie Mutual Fund Assets Under Management

- ◆ *Mackenzie's mutual fund assets under management increased by 7.0% during Q3, 2009, due primarily to improvement in global equity markets.*

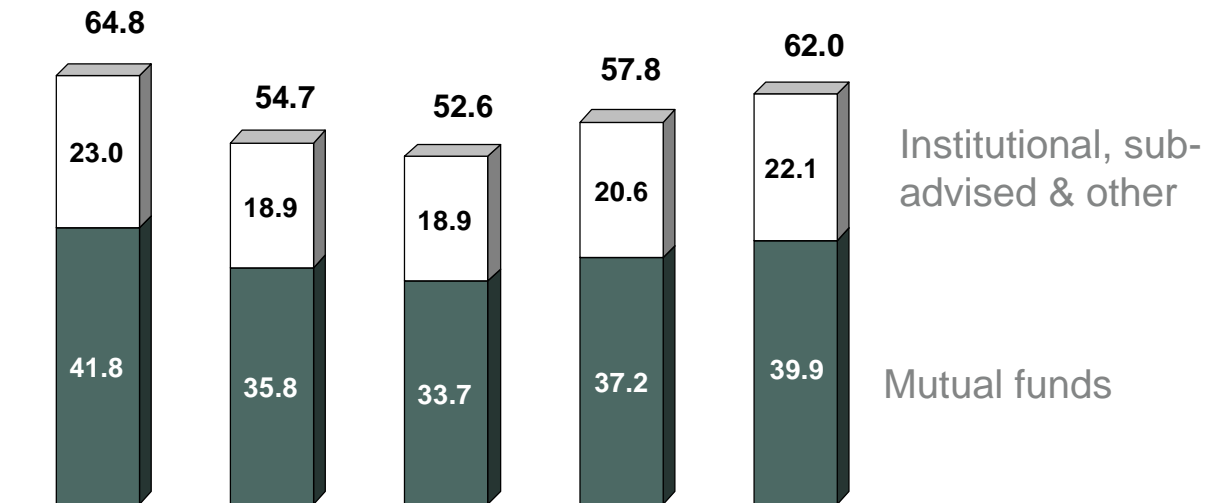
Mutual Fund Assets Under Management (\$ Billions)



# Mackenzie Assets Under Management

- ◆ *Mackenzie's assets under management increased by 7.3% during Q3, 2009.*

Assets Under Management (\$ Billions)



	Q3, 2008	Q4, 2008	Q1, 2009	Q2, 2009	Q3, 2009	Last Quarter Change	Last Year Change
Mutual funds	41.8	35.8	33.7	37.2	39.9	7.0%	(4.7%)
Institutional, sub-advised, and other <sup>1</sup>	23.0	18.9	18.9	20.6	22.1	7.9%	(3.4%)
<b>Total assets under management</b>	<b>64.8</b>	<b>54.7</b>	<b>52.6</b>	<b>57.8</b>	<b>62.0</b>	<b>7.3%</b>	<b>(4.2%)</b>

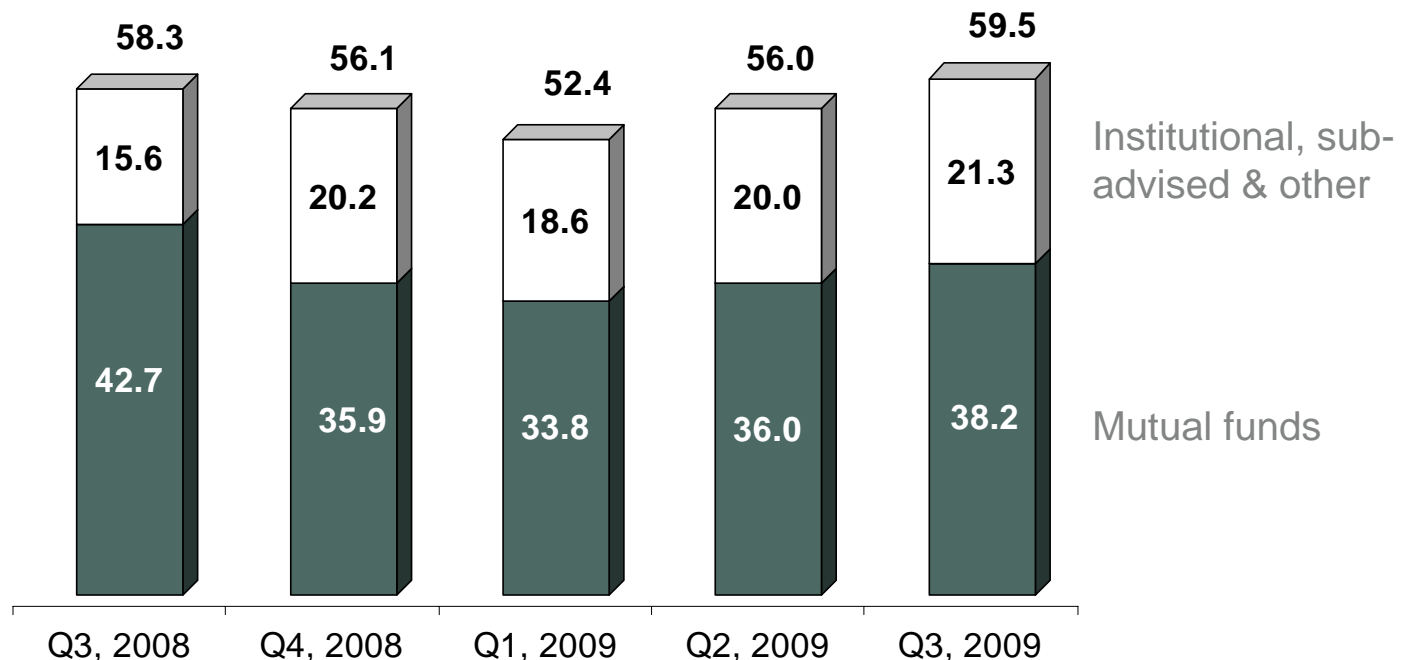


1. Includes \$2.7 billion at September 30, 2009 reflecting advisory mandates to mutual funds managed by Investors Group and Counsel.

# Mackenzie Assets Under Management

- ◆ *Mackenzie's total average assets under management increased by 6.2% during Q3, 2009 relative to Q2, 2009, and increased by 2.1% relative to Q3, 2008.*
- ◆ *Mackenzie's average mutual fund assets increased by 6.2% during Q3, 2009 relative to Q2, 2009, and decreased by 10.3% relative to Q3, 2008.*

Mackenzie Average Assets Under Management <sup>1</sup>  
(\$ Billions)



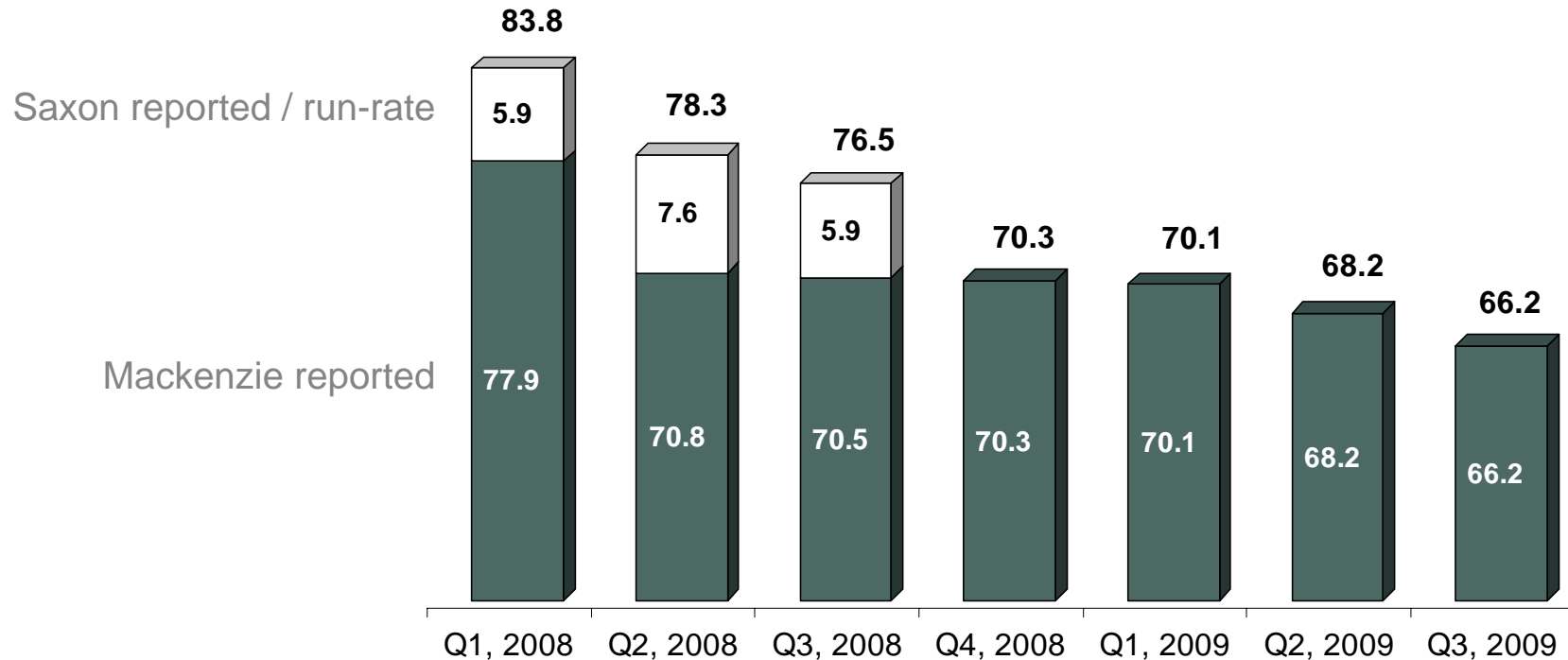
1. Mackenzie acquired Saxon Financial Inc. on September 25, 2008, which added \$12.2 billion in assets under management (\$1.8 billion in mutual funds and \$10.4 billion in institutional mandates).



# Mackenzie Non-Commission Expenses

- Mackenzie continues to manage expenses through cost controls and efficiency initiatives. Non-commission expenses during Q3, 2009 were 13.5% lower than the level incurred in aggregate by Mackenzie and Saxon during Q3, 2008.*

**Mackenzie Non-Commission Expenses (\$ Millions)**  
 (Retroactively restated for Saxon acquisition)



1. Mackenzie non-commission expenses retroactively restated for Saxon acquisition completed September 25, 2008. Q1 and Q2, 2008 reflect Saxon Financial's actual reported non-commission expenses, Q3, 2008 reflects estimated run-rate.

# Mackenzie Operating Income before Interest & Taxes

- ◆ **Mackenzie's Operating Income before Interest and Taxes was \$70.8 million during Q3, 2009, a 16% increase relative to Q2, 2009.**

(\$ Millions, unless otherwise indicated)	Q3, 2008	Q2, 2009	Q3, 2009	Change	
				Last Quarter	Last Year
Average assets under management (\$ billions)					
Total	58.3	56.0	59.5	6%	2%
Mutual funds	42.7	36.0	38.2	6%	(10%)
Fee and net investment income					
Management	189.1	153.5	164.7	7%	(13%)
Administration	34.1	35.2	34.9	(1%)	2%
Distribution	8.2	6.5	6.2	(5%)	(24%)
Fee income	231.4	195.2	205.8	5%	(11%)
Net investment income and other	5.2	3.5	4.4	26%	(15%)
Total	236.6	198.7	210.2	6%	(11%)
Operating expenses					
Commission expense	87.1	69.4	73.2	5%	(16%)
Non-commission expense <sup>1</sup>	70.6	68.2	66.2	(3%)	(6%)
Total	157.7	137.6	139.4	1%	(12%)
Operating income before interest and taxes	<b>78.9</b>	<b>61.1</b>	<b>70.8</b>	16%	(10%)

1. Q3, 2008 retroactively restated for Saxon was \$76.5 million. Q3, 2009 expenses of \$66.2 million are down \$10.3 million or 13.5%.

# Mackenzie Q3, 2009 Developments

## 1. Announced IPO of The Canadian Shield Fund

- A new closed-end fund with an absolute return mandate focused on Canadian equities.
- Maximum offering of \$250 million, with closing expected mid-November, 2009.

## 2. Consolidation of Mackenzie's institutional businesses into Mackenzie Global Advisors

- New division formed within Mackenzie to centralize sales and client service focus on the institutional investment marketplace.
- Combines the strengths of the Cundill, Howson Tattersall and Mackenzie institutional businesses.
- Solidifies client relationships on a single service platform and relationship model and allows clients increased flexibility and more selection of proven investment solutions.

## 3. Product shelf enhancements

- Introduction of three All-Canadian mandates – the investment strategies of three Mackenzie funds will be modified such that the funds will invest purely in Canadian equities.
  - Universal Canadian Growth Class, Maxxum Canadian Equity Growth Class, Ivy Canadian Class.
- Mackenzie Sentinel Income Trust Fund to adopt a high income balanced mandate.



1. Highlights

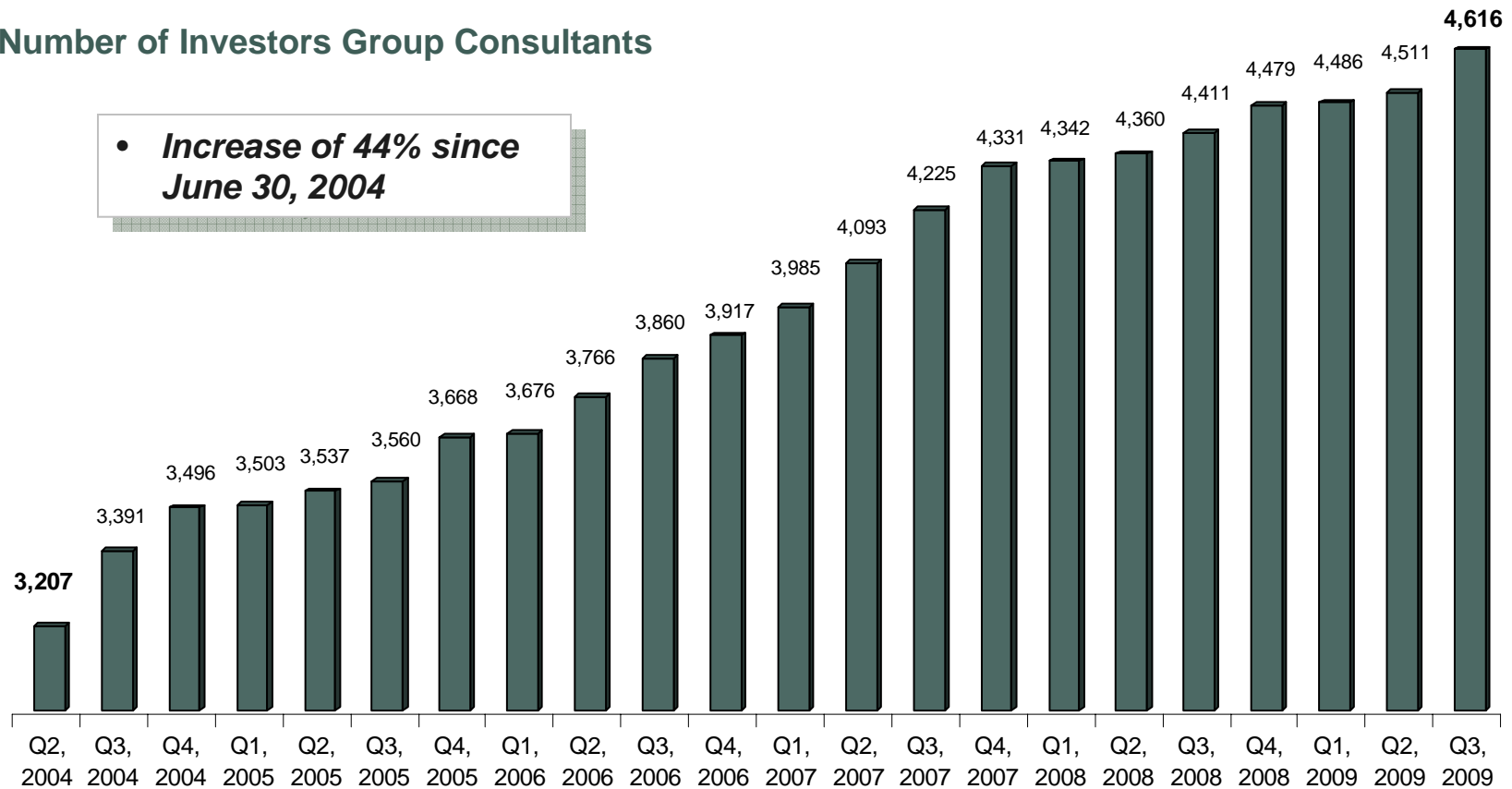
2. Mackenzie

- 3. Investors Group**

# Investors Group Consultant Network

- ◆ *Since June 30, 2004, we've had growth in the Consultant Network for 21 consecutive quarters.*

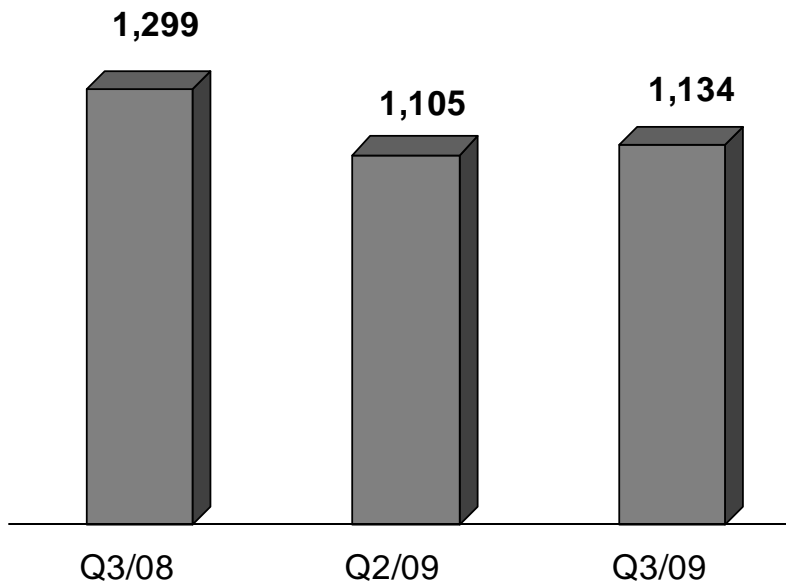
Number of Investors Group Consultants



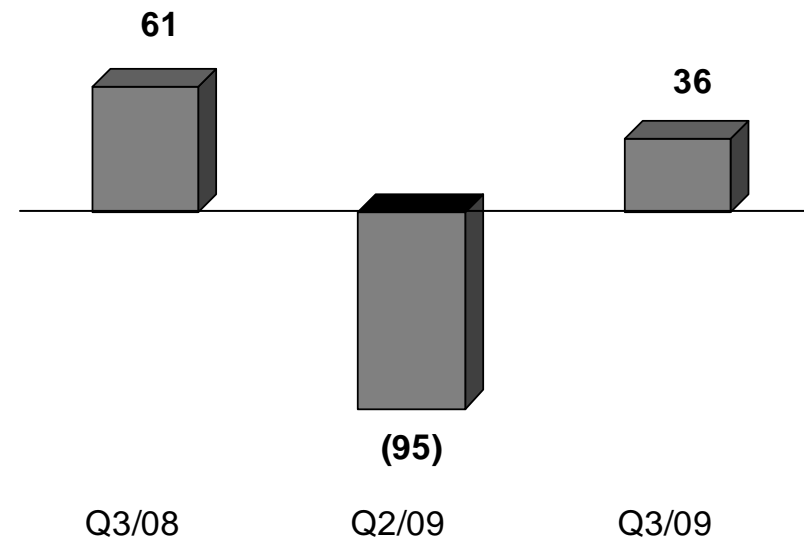
# Investors Group Mutual Fund Sales

- *During Q3, 2009, Investors Group generated gross mutual fund sales of \$1.1 billion and net sales of \$36 million.*

Mutual Fund Gross Sales  
(\$ Millions)



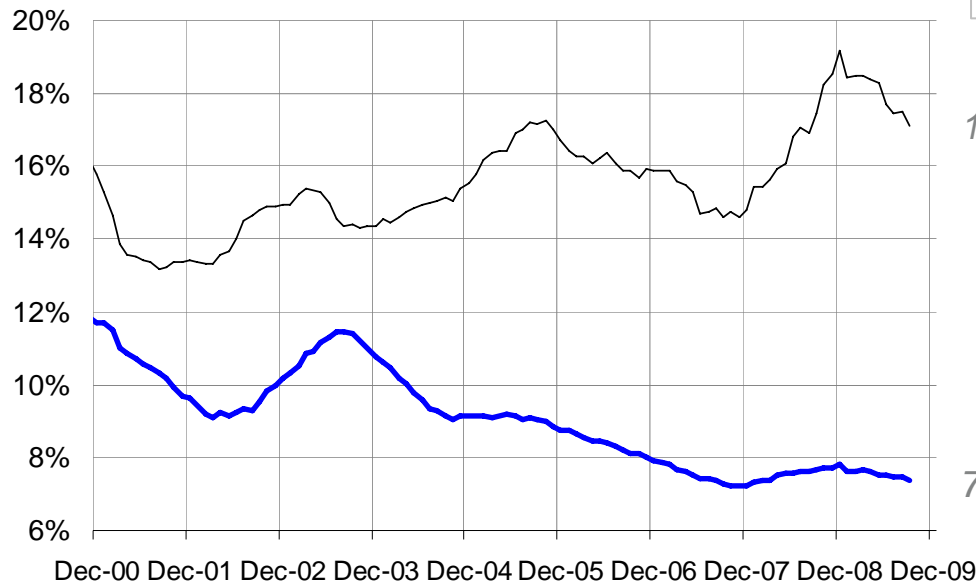
Mutual Fund Net Sales  
(\$ Millions)



# Investors Group Mutual Fund Redemption Rate

- Investors Group's trailing twelve month redemption rate on long term mutual funds was 7.3% at September 30, 2009, reflecting the same record low level recorded December 31, 2007.

**Redemption Rate on Long Term Mutual Funds**  
(Last Twelve Month Trailing % of Average Assets Under Management)



Quarterly Annualized Redemption Rate on Long Term Mutual Funds				
Q3, 2008	Q4, 2008	Q1, 2009	Q2, 2009	Q3, 2009
7.2%	7.4%	7.9%	7.8%	6.6%

16.9%

— Industry (IFIC), excluding Investors Group<sup>2</sup>

— Investors Group<sup>1</sup>

7.3%



1. Numbers have been retroactively restated to exclude Maxxum redemptions (Maxxum operations were transferred to Mackenzie October 5, 2001)  
2. All numbers have been retroactively restated to exclude CI Investments. CI discontinued reporting to IFIC during December, 2008.

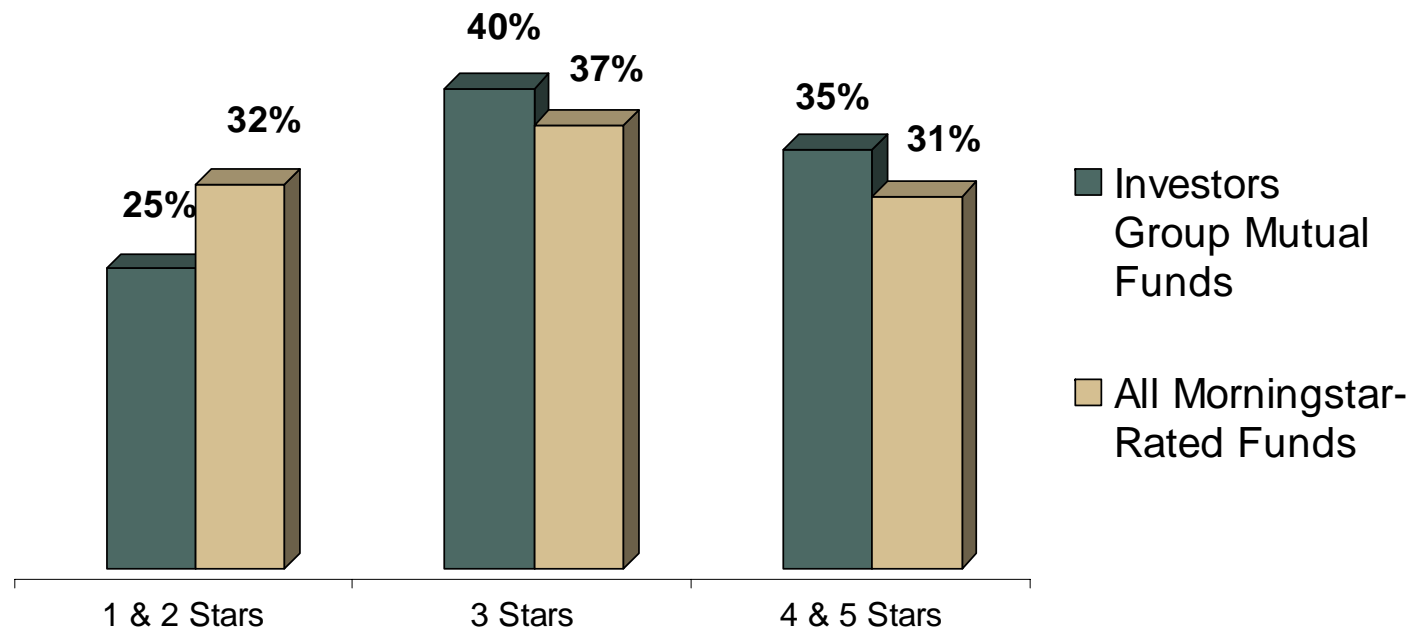
Source: IFIC

**Investors Group**

# Investors Group Investment Performance

- 75% of mutual funds managed by Investors Group (Masterseries, Partner and Portfolio Funds) were rated 3, 4 or 5 star by Morningstar at September 30, 2009, compared to 68% for all Morningstar-rated funds.

Morningstar Ratings as at September 30, 2009  
Proportion of Morningstar-rated funds

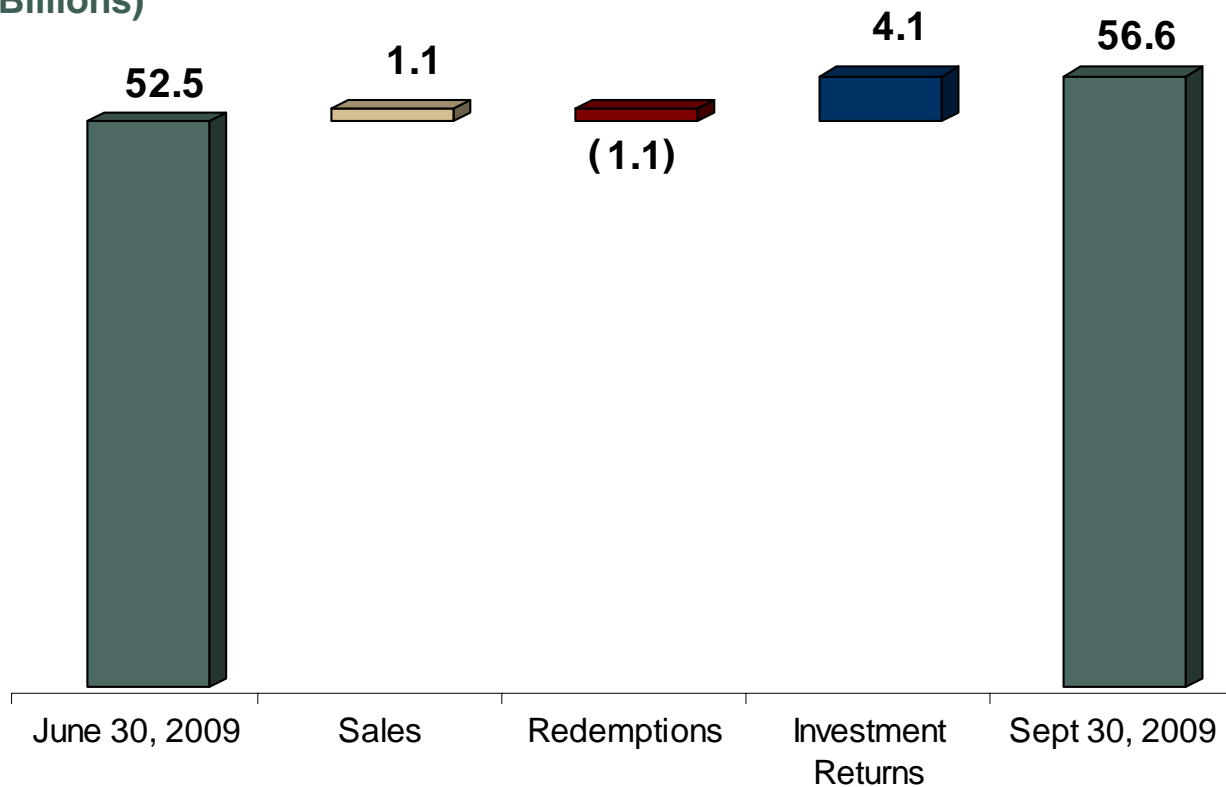




# Investors Group Mutual Fund Assets Under Management

- ◆ *Investors Group mutual fund assets increased by 7.7% during the third quarter of 2009.*

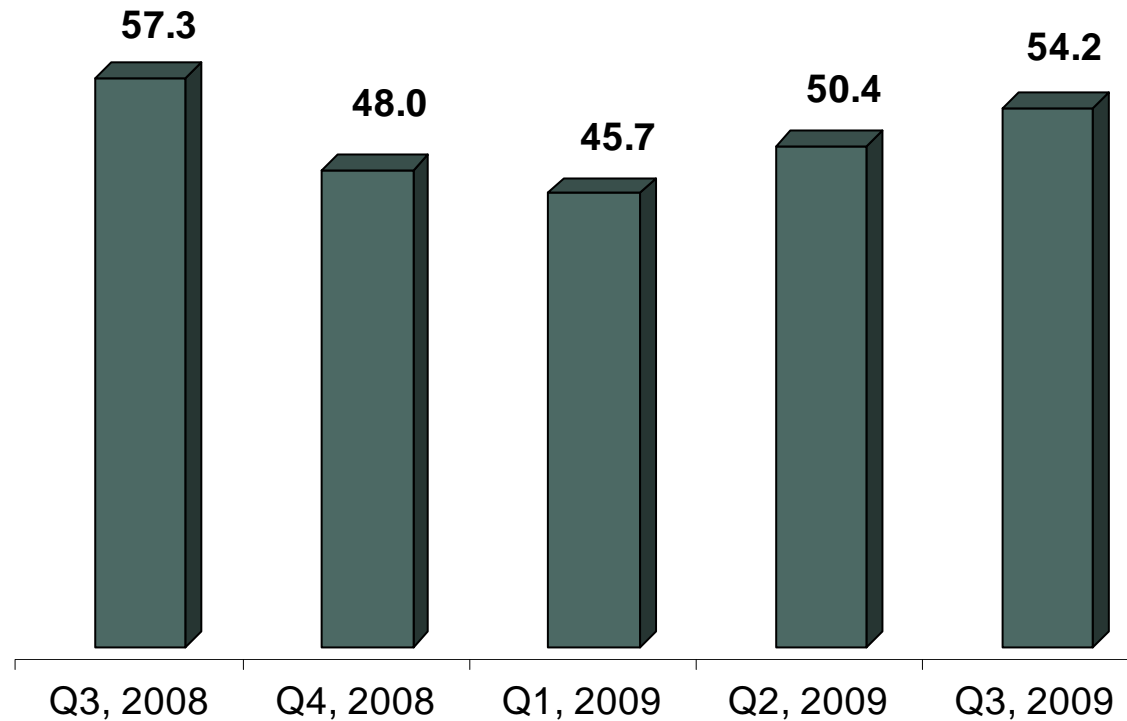
Change in Mutual Fund Assets Under Management  
(\$ Billions)



# Investors Group Mutual Fund Assets Under Management

- ♦ *The average balance of mutual fund assets under management increased by 7.5% during Q3, 2009 relative to Q2, 2009 and declined by 5.3% relative to Q3, 2008.*

Average Mutual Fund Assets Under Management  
(\$ Billions)



# Investors Group Operating Income before Interest & Taxes

- ◆ *Investors Group's Operating Income before Interest & Taxes was \$190.4 million during Q3, 2009, a 19% increase relative to Q2, 2009.*

(\$ Millions, unless otherwise indicated)	Q3, 2008	Q2, 2009	Q3, 2009	Change	
				Last Quarter	Last Year
Average mutual fund assets under management (\$ billions)	57.3	50.4	54.2	8%	(5%)
Fee and net investment income					
Management	277.9	237.7	258.7	9%	(7%)
Administration	53.4	51.2	53.2	4%	(0%)
Distribution	35.8	36.6	35.8	(2%)	(0%)
Fee income	367.1	325.5	347.7	7%	(5%)
Net investment income and other	36.0	26.4	30.2	14%	(16%)
Total	403.1	351.9	377.9	7%	(6%)
Operating expenses					
Commission amortization	43.2	44.4	44.7	1%	3%
Other commissions	75.4	65.2	68.0	4%	(10%)
Commission expense	118.6	109.6	112.8	3%	(5%)
Non-commission expense	74.8	81.7	74.7	(9%)	(0%)
Total	193.4	191.3	187.5	(2%)	(3%)
Operating income before interest and taxes	<u>209.7</u>	<u>160.6</u>	<u>190.4</u>	19%	(9%)

# Investors Group Developments

## 1. Consultant Network Expansion

- 4,616 Consultants at September 30, 2009 reflects our largest historical Consultant network.
- Consultant and client retention remains strong:
  - Industry-leading long term mutual fund redemption rate of 7.3% during the last year and 6.6% during the last quarter (annualized).
  - Redemption rate of 7.3% at September 30, 2009 was the same level as the record low achieved at December 31, 2007.
  - Lowest year to date redemption amount on long term funds since 1999.

## 2. Emphasis on communicating with Consultants and clients during volatile market climate and on new client acquisition opportunities.

## 3. New portfolio funds available July, 2009

- Investors Cornerstone Portfolios (\$49 million in net flows at Sept 30)
  - Three fund-of-fund offerings providing high levels of capital stability during volatile markets.
- Allegro Corporate Class Portfolios (\$32 million in net flows at Sept 30)
  - Five fund-of-fund offerings providing a one-stop solution for wealth accumulation on a tax-deferred basis.

STRENGTH | FOCUS | GROWTH



# IGM FINANCIAL Q3, 2009 Results

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October 30, 2009

**IGM**  
Financial