



STRENGTH | FOCUS | GROWTH

## IGM FINANCIAL Q1, 2012 Results

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May 4, 2012

# 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, 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-IFRS Financial Measures

- Net earnings available to common shareholders, which is a financial measure in accordance with IFRS, may be divided into two components consisting of:
  - Operating earnings available to common shareholders; and
  - Other items, which include the after-tax impact of any item that management considers to be of a non-recurring nature or that could make the period-over-period comparison of results from operations less meaningful.
- This report may also contain non-IFRS financial measures. Non-IFRS financial measures are used to provide management and investors with additional measures of performance. However, we caution that non-IFRS financial measures do not have standard meanings prescribed by IFRS 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 include “Operating Earnings”, “Operating Earnings per Share” and “Earnings before Interest and Taxes”.
- We refer you to the appropriate reconciliation in the Management’s Discussion and Analysis of these non-IFRS financial measures to measures prescribed by IFRS.
- “Operating Earnings” and “Operating Earnings Per Share” for the three months ended December 31, 2011 exclude an after-tax benefit of \$5.0 million representing the Company’s proportionate share of net changes in Great-West Lifeco Inc.’s litigation provisions.
- “Operating Earnings” and “Operating Earnings Per Share” for the three months ended December 31, 2011 exclude the net earnings for M.R.S. Trust Company and M.R.S. Inc. (MRS), which have been classified as discontinued operations. On November 16, 2011, Mackenzie closed the previously announced transaction to sell MRS. Net earnings for MRS, excluding a one-time gain on sale, totaled (\$0.7) million for the three months ended December 31, 2011. During the fourth quarter of 2011, an after-tax gain on sale of \$30.3 million was recorded, earnings from discontinued operations, including the one-time gain on sale, were \$29.6 million during the three month period ended December 31, 2011.
- “Operating Earnings” and “Operating Earnings Per Share” for the three months ended March 31, 2011 exclude the net earnings for M.R.S. Trust Company and M.R.S. Inc. (MRS), which have been classified as discontinued operations. Net earnings from discontinued operations were \$0.9 million for the first quarter of 2011.

# Documents Incorporated by Reference

This summary document and webcast are meant to discuss, not to serve as a substitute for, information included in these documents. The reader is hereby cautioned to refer to the following documents relating to IGM Financial's results:

1. Documents related to IGM Financial's Q1, 2012 results issued May 4, 2012:
  - IGM Financial Q1, 2012 financial results press release. This press release includes financial highlights as well as a summary earnings statement.
  - IGM Financial Q1, 2012 Consolidated Financial Statements and notes.
  - IGM Financial Q1, 2012 Management's Discussion and Analysis ("MD&A").
  - IGM Financial Q1, 2012 Supplemental Information.
2. IGM Financial April, 2012 Assets Under Management press release issued May 2, 2012.
3. IGM Financial 2011 Annual Report which was issued on March 22, 2012.

Each of these documents are 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

- *IGM Financial's Operating Earnings Per Share increased by 2.6% during Q1, 2012 relative to Q4, 2011.*

	Q1, 2011	Q4, 2011	Q1, 2012	Change	
				Last Quarter	Last Year
Operating Earnings (millions) <sup>1</sup>	\$ 211.2	\$ 196.0	\$ 199.7	1.9%	(5.5%)
Net Earnings (millions)	212.1	230.6	199.7	(13.4%)	(5.9%)
Operating Earnings per share (diluted) <sup>1</sup>	0.81	0.76	0.78	2.6%	(3.7%)
Net Earnings per share (diluted)	0.81	0.89	0.78	(12.4%)	(3.7%)
Dividends per share	0.5125	0.5375	0.5375	0.0%	4.9%

1. Please refer to slide 4 for a discussion of adjustments.

# IGM Financial Highlights – Sales

- *IGM Financial had gross sales of \$4.4 billion and net redemptions of \$853 million during Q1, 2012.*

## IGM Financial Investment Product Sales Three Months Ended March 31, 2012 (\$ Millions)

	Gross Sales				Net Sales			
	Investors Group	Mackenzie	Counsel	IGM Financial	Investors Group	Mackenzie	Counsel	IGM Financial
Long term mutual funds	1,649	1,358	121	<b>3,127</b>	163	(484)	17	<b>(305)</b>
Short term mutual funds	185	114	19	<b>318</b>	12	(25)	14	<b>1</b>
Total mutual funds	1,834	1,472	140	<b>3,445</b>	175	(509)	31	<b>(304)</b>
Institutional, sub-advised & other		1,249		<b>912</b>		(424)		<b>(549)</b>
Total	<u>1,834</u>	<u>2,721<sup>1</sup></u>	<u>140</u>	<u><b>4,357<sup>1</sup></b></u>	<u>175</u>	<u>(933)<sup>1</sup></u>	<u>31</u>	<u><b>(853)<sup>1</sup></b></u>

1. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel. These mandates had gross sales of \$338 million and net sales of \$126 million during the period.



# IGM Financial Highlights – Assets Under Management

- IGM Financial's ending assets under management increased by 4.6% during Q1, 2012 relative to Q4, 2011 and average assets increased by 3.2%.

(\$ Billions)	Quarter					Q1, 2012 Change	
	Mar 31, 2011	Jun 30, 2011	Sep 30, 2011	Dec 31, 2011	Mar 31, 2012	Last Quarter	Last Year

## Average Assets Under Management (for the period ended)

<b>IGM Financial</b>	<b>131.9</b>	<b>132.0</b>	<b>124.0</b>	<b>119.0</b>	<b>122.8</b>	<b>3.2%</b>	<b>(6.9%)</b>
Investors Group	63.0	62.8	59.4	57.5	59.8	3.9%	(5.1%)
Mackenzie <sup>1</sup>	69.5	69.9	65.4	62.2	63.8	2.7%	(8.2%)
Counsel	2.8	2.8	2.8	2.8	2.9	5.4%	5.6%

## Ending Assets Under Management (as at end of period)

<b>IGM Financial</b>	<b>134.1</b>	<b>130.2</b>	<b>116.7</b>	<b>118.7</b>	<b>124.1</b>	<b>4.6%</b>	<b>(7.4%)</b>
Investors Group	64.0	62.2	56.5	57.7	60.6	5.0%	(5.3%)
Mackenzie <sup>1</sup>	70.7	68.8	60.9	61.7	64.4	4.4%	(8.9%)
Counsel	2.8	2.8	2.7	2.8	3.0	5.2%	4.3%

1. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel. These mandates had assets under management of \$3.8 billion at March 31, 2012.

# Operating Environment – Industry Sales Mix

- *The industry experienced declines in both gross and net sales during Q1, 2012 relative to Q1, 2011.*

## Industry Mutual Fund Net Sales by Primary Distribution Emphasis Three months ended March 31 (\$ Billions)

	Long Term Funds			Total Funds		
	2011	2012	Change	2011	2012	Change
<b>Gross Sales</b>						
Advice	20.3	17.6	(13.1%)	21.2	18.4	(13.3%)
Deposit takers	22.6	24.1	6.6%	29.4	29.1	(0.9%)
Direct & other	2.0	1.8	(12.4%)	2.2	1.9	(13.9%)
Total	44.8	43.4	(3.2%)	52.8	49.4	(6.4%)
<b>Net Sales</b>						
Advice	4.4	0.8		4.2	0.6	
Deposit takers	9.4	11.6		8.2	10.3	
Direct & other	0.6	0.6		0.6	0.6	
Total	14.4	12.9		12.9	11.5	

Source: Investor Economics.

“Advice” reflects the aggregation of “Independents” and “Life Insurers” as presented by Investor Economics.

“Direct & other” reflects “Others” as presented by Investor Economics and includes direct sellers, unions & associations and others.

“Net Sales” reflects gross sales less redemptions and is presented by Investor Economics as “Net New Money”.

# Operating Environment – Industry Sales Mix

- ◆ *Income-oriented and balanced funds experienced positive net sales while equity funds experienced net redemptions.*

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

	Q1, 2010	Q2, 2010	Q3, 2010	Q4, 2010	Q1, 2011	Q2, 2011	Q3, 2011	Q4, 2011	Q1, 2012
Income-oriented	7.4	2.0	6.0	8.8	<b>6.5</b>	<b>3.3</b>	<b>0.6</b>	<b>4.6</b>	<b>12.5</b>
Balanced	3.6	1.1	0.2	2.4	5.1	2.9	(0.1)	0.0	2.4
Canadian equity	(0.1)	(1.7)	(2.0)	(2.7)	(0.5)	(0.6)	(0.8)	(2.2)	(2.1)
Foreign equity	0.0	0.2	(1.6)	(1.1)	<b>2.4</b>	<b>(0.1)</b>	<b>0.2</b>	<b>(2.4)</b>	<b>(0.4)</b>
Sector / other	0.9	0.1	0.1	0.5	0.9	0.3	0.0	1.8	0.5
Long term	11.8	1.8	2.8	7.9	14.4	5.8	(0.1)	1.7	12.9
Money market	(4.9)	(3.9)	(2.5)	(3.4)	(1.4)	(1.0)	(1.1)	(1.2)	(1.4)
Total	6.9	(2.1)	0.2	4.5	12.9	4.8	(1.2)	0.5	11.5

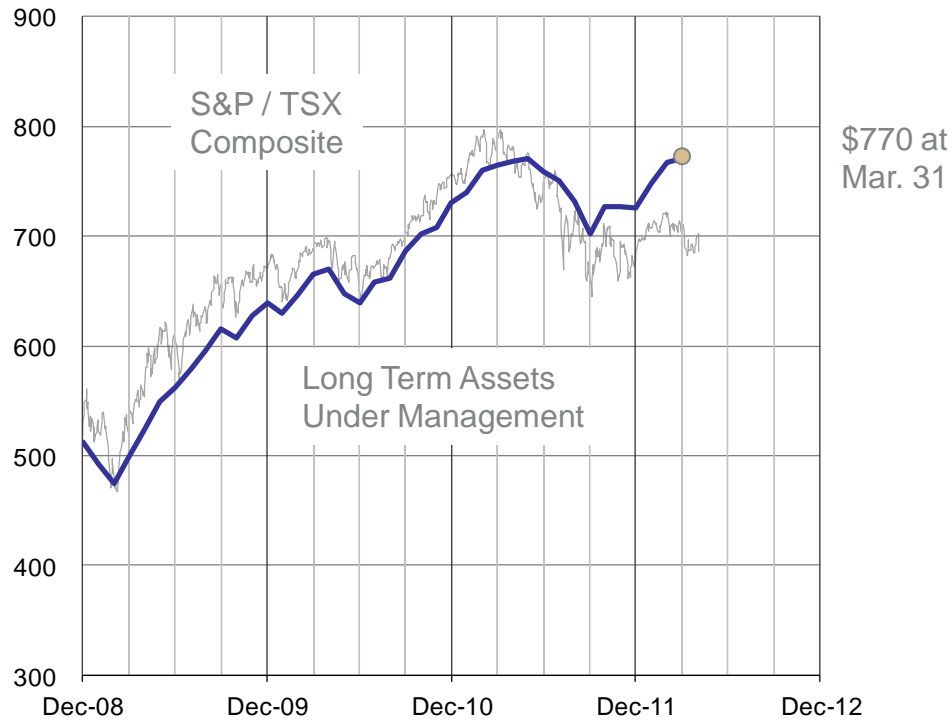
Source: Investor Economics.

"Net Sales" reflects gross sales less redemptions and is presented by Investor Economics as "Net New Money".

# Operating Environment – Financial Markets

- During Q1, 2012, industry long term mutual fund assets increased by 6.1% primarily as a result of improvements in global equity markets.

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



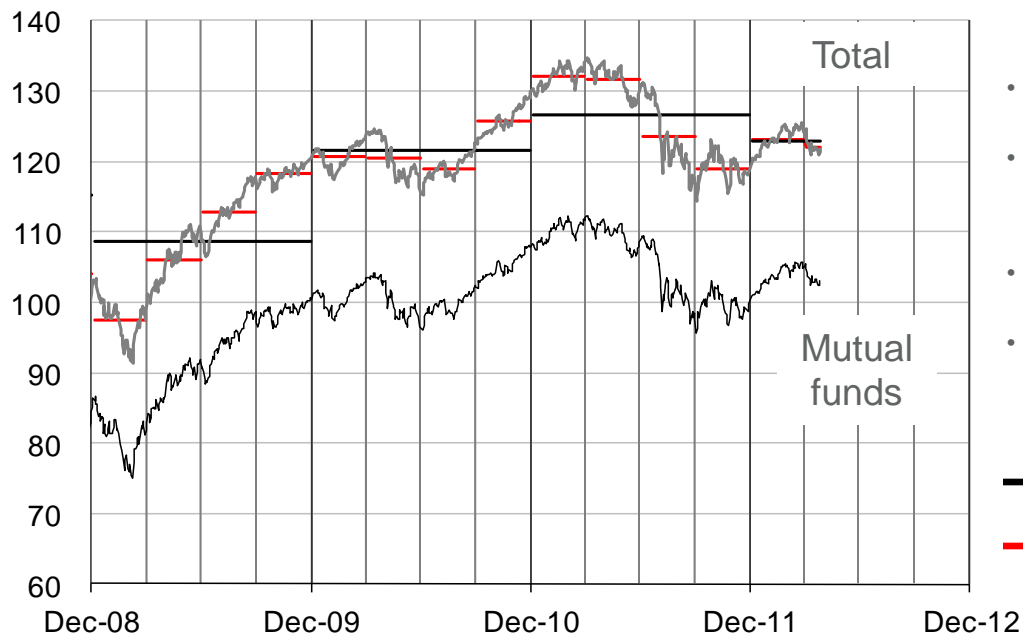
	Q1, 2012	Q2, 2012 at May 3
Mutual Fund Long Term Assets	6.1%	
S&P / TSX Composite	3.7%	(3.0%)
S&P 500	12.0%	(1.2%)
Dow Jones Industrial	8.1%	(0.0%)
Nasdaq Composite	18.7%	(2.2%)
FTSE 100	3.5%	(0.0%)
DAX	17.8%	(3.6%)
Nikkei 225	19.3%	(7.0%)
US dollar relative to CAD	(2.2%)	(1.0%)
Euro relative to CAD	0.7%	(2.4%)

Mutual fund industry reflects Investor Economics data and excludes exchange traded funds.  
All index returns are local market returns.

# IGM Financial Highlights – Assets Under Management

- ♦ *Average mutual fund assets under management increased by 4.0% during Q1, 2012 relative to Q4, 2011 and average total assets increased by 3.2%.*

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



### Average Assets Under Management (\$ Billions)

		Total	Mutual funds
• \$124.1 at Mar. 31			
• \$122.3 at Apr. 30	Q1, 2012	122.8	103.6
	Q1, 2012 versus Q4, 2011	3.2%	4.0%
• \$105.1 at Mar. 31	Q1, 2012 versus Q1, 2011	(6.9%)	(5.8%)
• \$103.7 at Apr. 30	Q4, 2011	119.0	99.6
	Q1, 2011	131.9	110.0

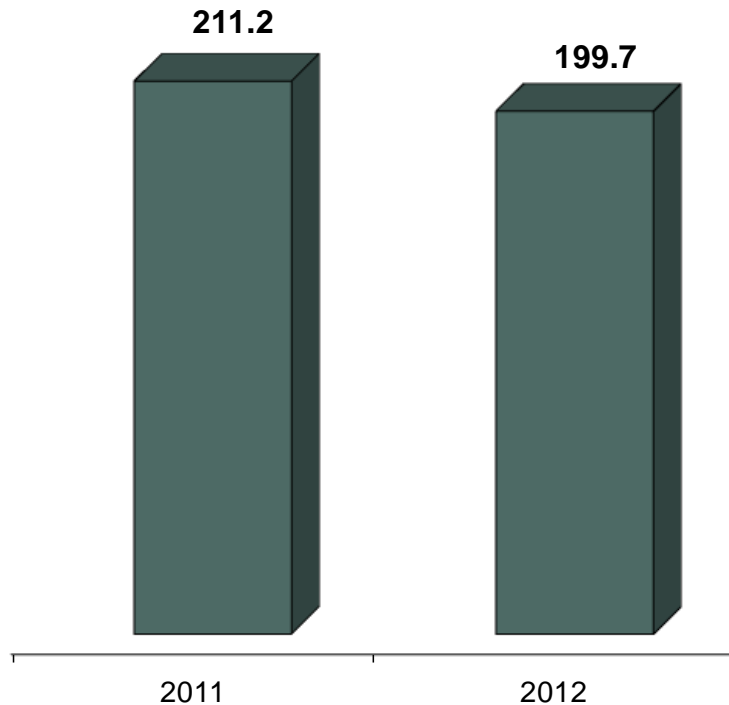
— Annual Average  
— Quarterly Average

1. Includes mutual fund assets of Titan Funds effective November 1, 2010 (\$128 million at time of acquisition).

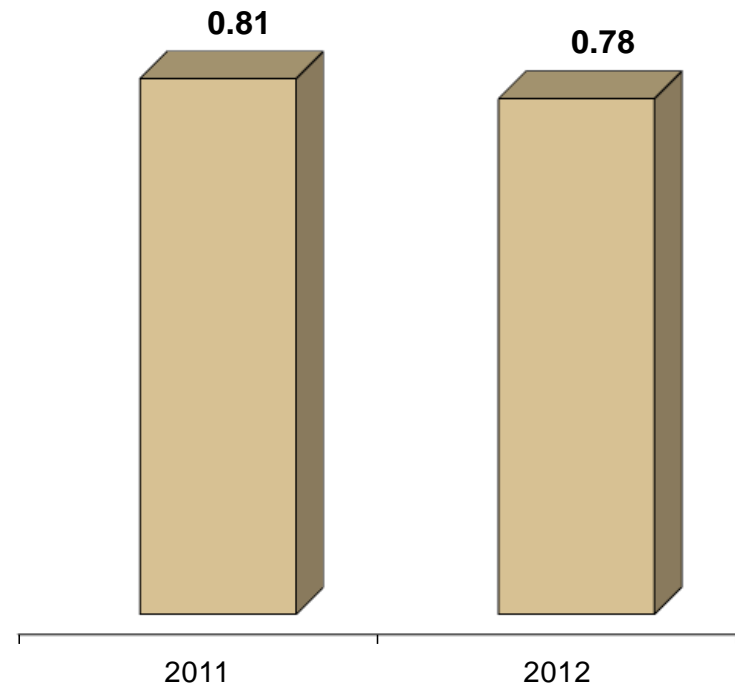
# IGM Financial Highlights – Operating Earnings

- *IGM Financial's Operating Earnings were \$199.7 million during the first quarter of 2012 and Operating EPS was 78 cents.*

Operating Earnings<sup>1</sup>  
Three months ended March 31  
(\$ Millions)



Operating Earnings Per Share (Diluted)<sup>1</sup>  
Three months ended March 31  
(\$)



1. Please refer to slide 4 for a discussion of adjustments.

1. Highlights

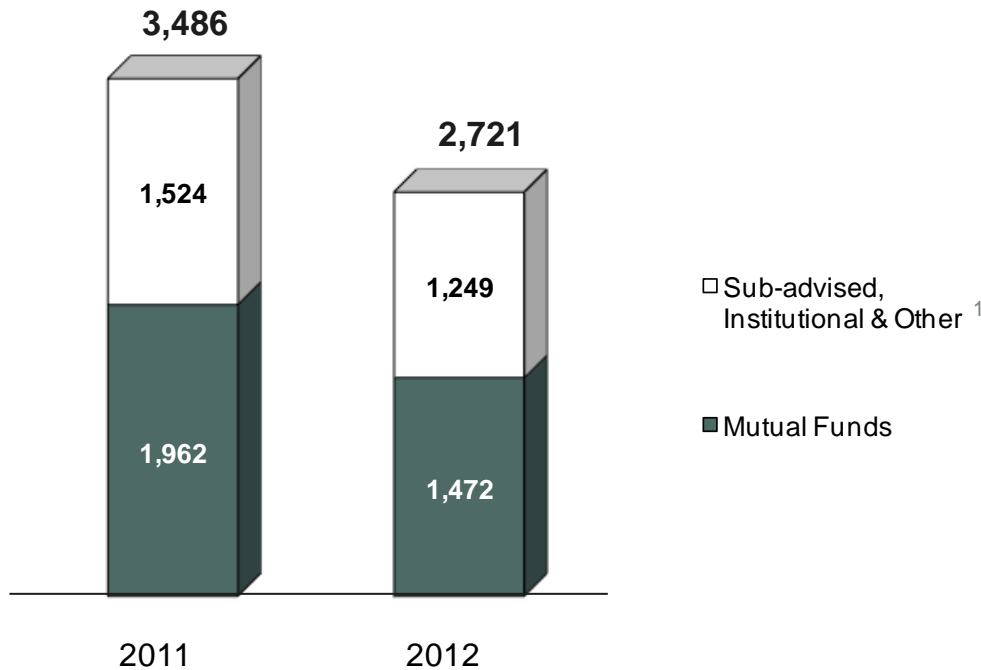
**2. Mackenzie**

3. Investors Group

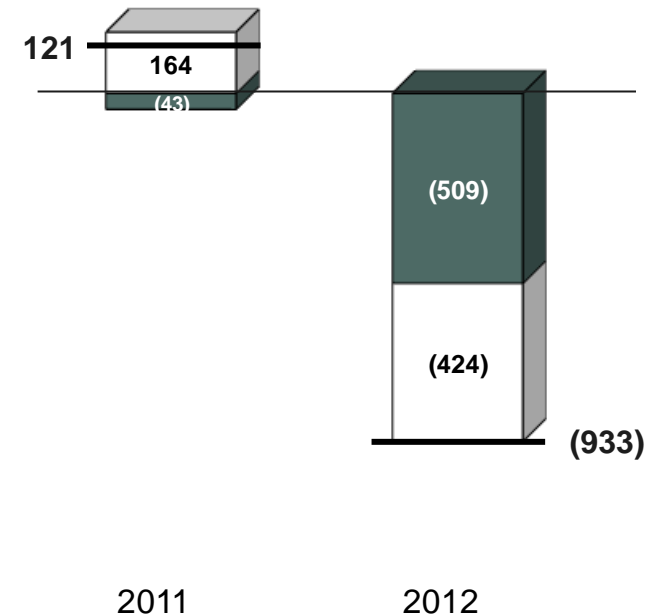
# Mackenzie Sales

- ◆ *Mackenzie had gross sales of investment products of \$2.7 billion during the first quarter of 2012 and net redemptions of \$933 million.*

**Mackenzie Gross Sales of Investment Products**  
Three month periods ended March 31  
(\$ Millions)



**Mackenzie Net Sales of Investment Products**  
Three month periods ended March 31  
(\$ Millions)



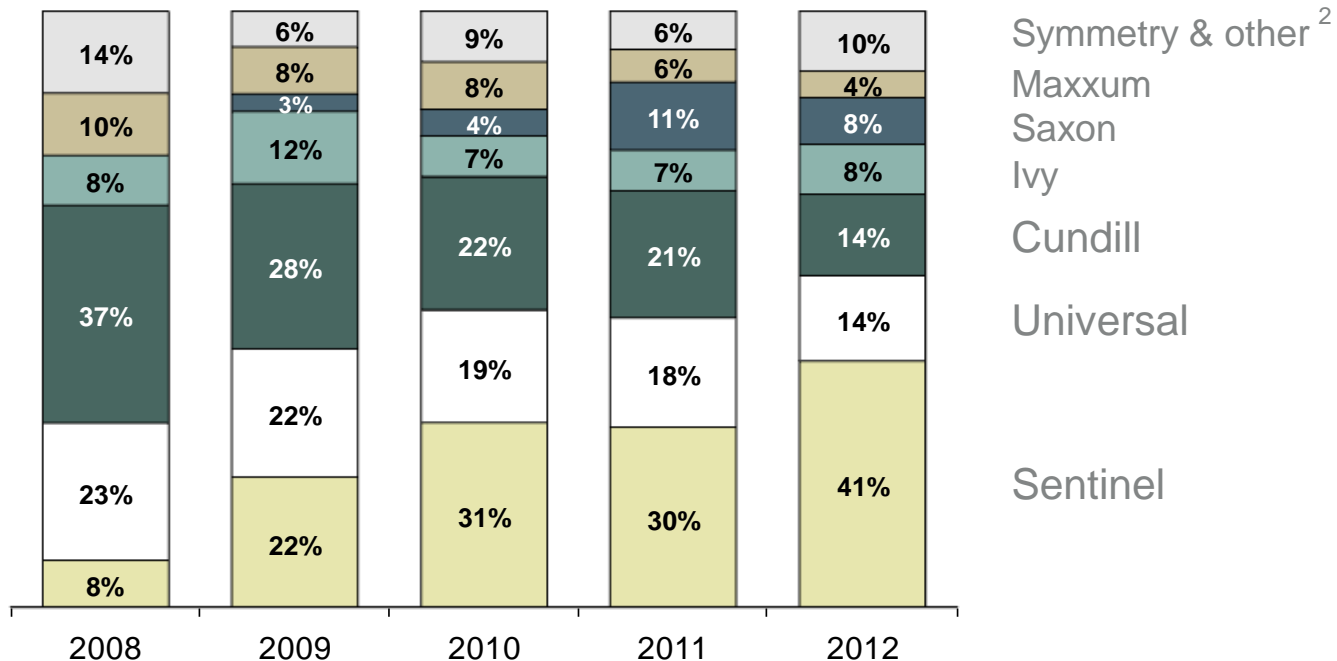
1. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel.



# Mackenzie Mutual Fund Gross Sales

- ◆ *Mackenzie's income-oriented Sentinel sub-brand continued to experience strong flows during the first quarter of 2012.*

Gross Sales Mix of Long Term Mutual Funds by Mackenzie Sub-Brand <sup>1</sup>  
Three month periods ended March 31



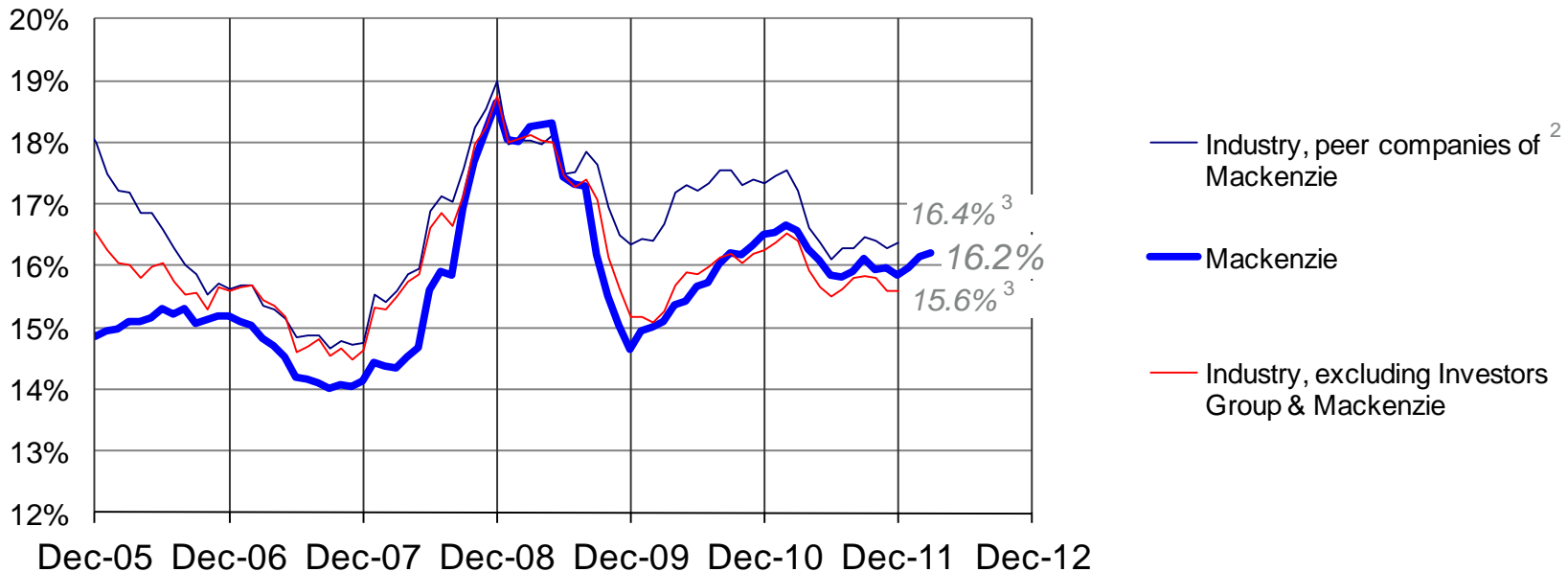
1. Excludes Quadrus funds.

2. Includes Symmetry, Destination Funds, Founders Funds and other funds.

# Mackenzie Mutual Fund Redemption Rate

- *Mackenzie's twelve month trailing redemption rate on long term mutual funds was 16.2% at March 31, 2012.*

**Redemption Rate on Long Term Mutual Funds <sup>1</sup>**  
**(Last Twelve Month Trailing % of Average Assets Under Management)**

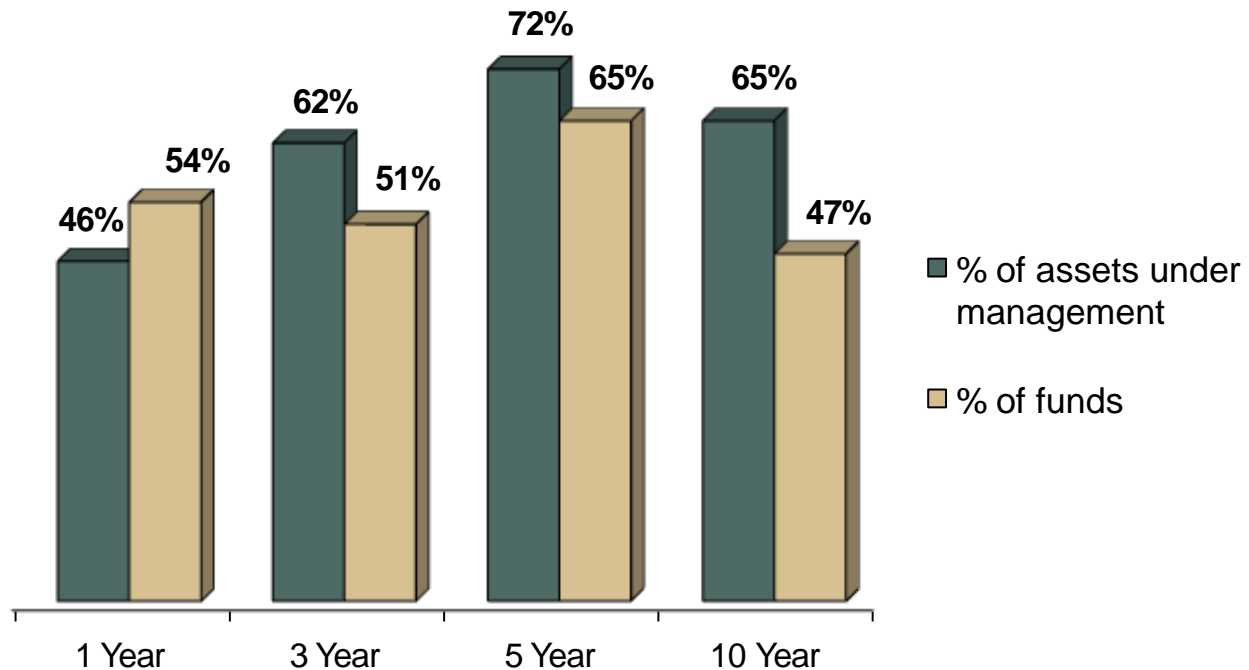


1. All numbers have been restated to exclude CI Investments and Invesco at the time that they discontinued reporting to IFIC. CI discontinued reporting to IFIC during December, 2008 and Invesco discontinued reporting to IFIC October, 2010.
2. Excludes Mackenzie, Investors Group, deposit takers and direct distributors.
3. Twelve month trailing redemption rate as of December 31, 2011.

# Mackenzie Investment Performance

- ◆ *72% of Mackenzie's assets reside within funds which have had first or second quartile performance over the last five years.*

Mackenzie Mutual Funds in First or Second Quartile  
As at March 31, 2012

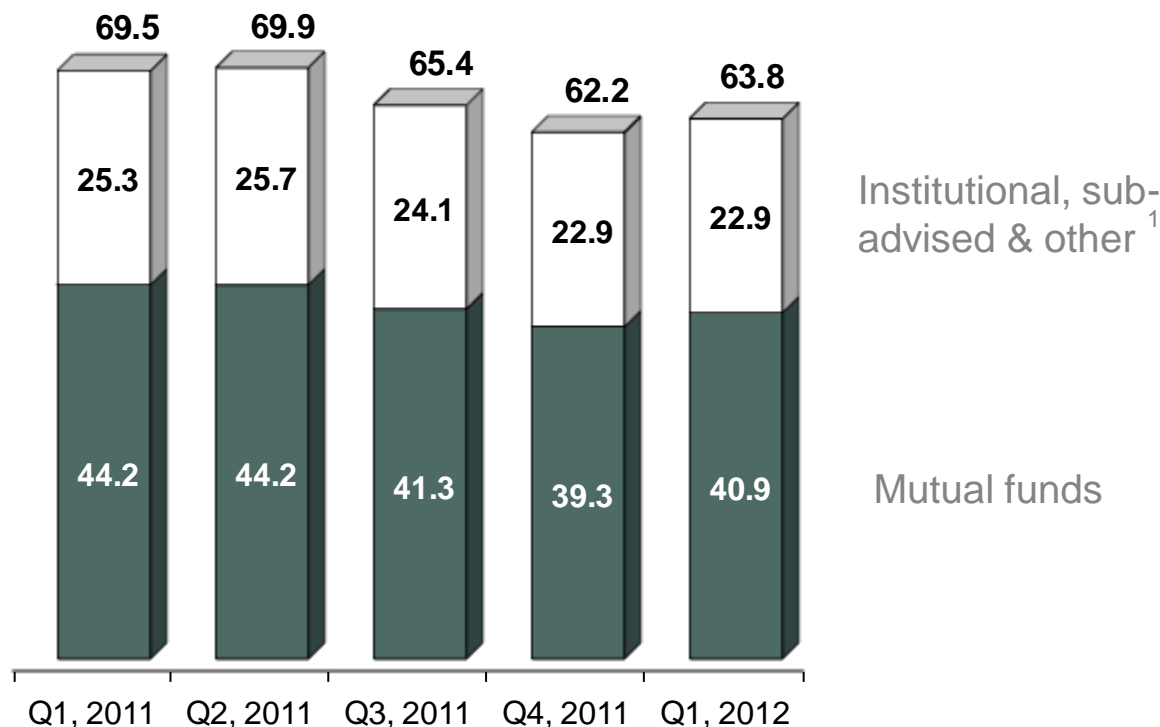


Source: Morningstar

# Mackenzie Assets Under Management

- ♦ *The average balance of total assets under management decreased by 8.2% during Q1, 2012 relative to Q1, 2011.*
- ♦ *The average balance of mutual fund assets under management decreased by 7.5% during Q1, 2012 relative to Q1, 2011.*

Average Assets Under Management (\$ Billions)

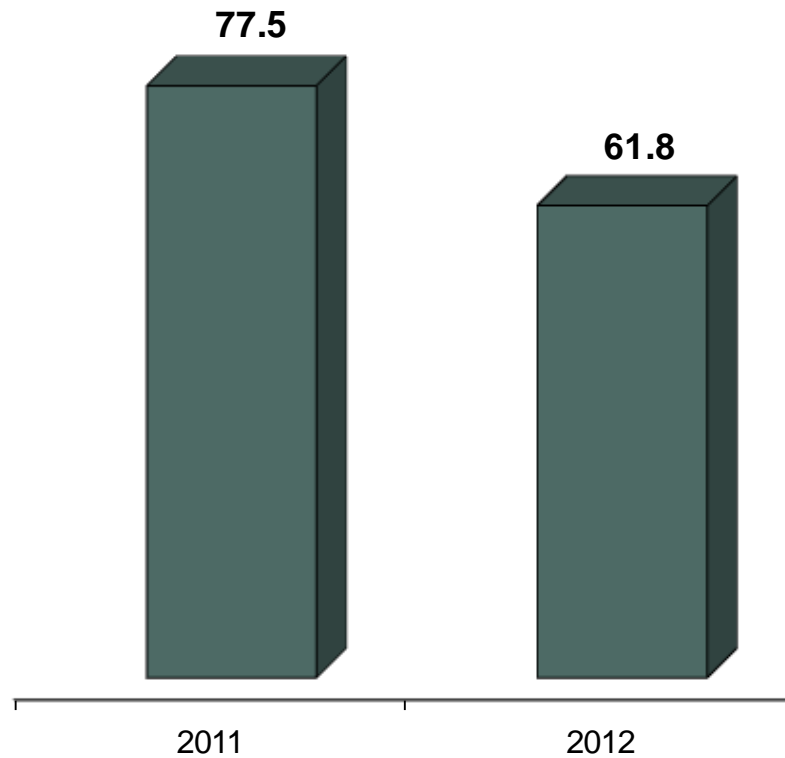


1. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel.

# Mackenzie Operating Segment – EBIT

- ◆ *Mackenzie's Operating Earnings before Interest and Taxes were \$61.8 million during the first quarter of 2012.*

Earnings before Interest & Taxes<sup>1</sup>  
Three months ended March 31 (\$ Millions)



1. Please refer to slide 4. Mackenzie operating segment results in 2011 exclude MRS discontinued operations .

# Mackenzie Operating Segment – EBIT

- ◆ *Mackenzie's Operating Earnings before Interest and Taxes were \$61.8 million during Q1, 2012.*

Three months ended March 31  
\$ Millions, unless otherwise indicated

	<u>2011</u>	<u>2012</u>	<u>Change</u>
Average assets under management (\$ billions)			
Total	69.5	63.8	(8.2%)
Mutual funds	44.2	40.9	(7.5%)
Revenues			
Management fees	183.3	164.0	(10.5%)
Administration fees	27.0	26.9	(0.4%)
Distribution fees	5.9	5.0	(15.3%)
	<u>216.2</u>	<u>195.9</u>	(9.4%)
Net investment income and other	0.8	(0.2)	n/m
Total	<u>217.0</u>	<u>195.7</u>	(9.8%)
Expenses			
Commission amortization	25.7	22.2	(13.6%)
Trailing commission	50.3	46.0	(8.5%)
Commission	76.0	68.2	(10.3%)
Non-commission	63.5	65.7	3.5%
Total	<u>139.5</u>	<u>133.9</u>	(4.0%)
Earnings before interest and taxes	<u><b>77.5</b></u>	<u><b>61.8</b></u>	(20.3%)

1. Please refer to slide 4. Mackenzie operating segment results in 2011 exclude MRS discontinued operations.

# Mackenzie Developments

## 1. Investment Management

- 43% of Mackenzie mutual fund assets rated four or five star by Morningstar at March 31, 2012 compared to 42% for the industry.
- New Chief Investment Officer of Mackenzie Investments.

## 2. Distribution

- Nine-city tour of Mackenzie University in progress with strong attendance to date.
- Continued focus on and expansion of institutional capabilities and re-branded the business unit Mackenzie Institutional.

1. Highlights

2. Mackenzie

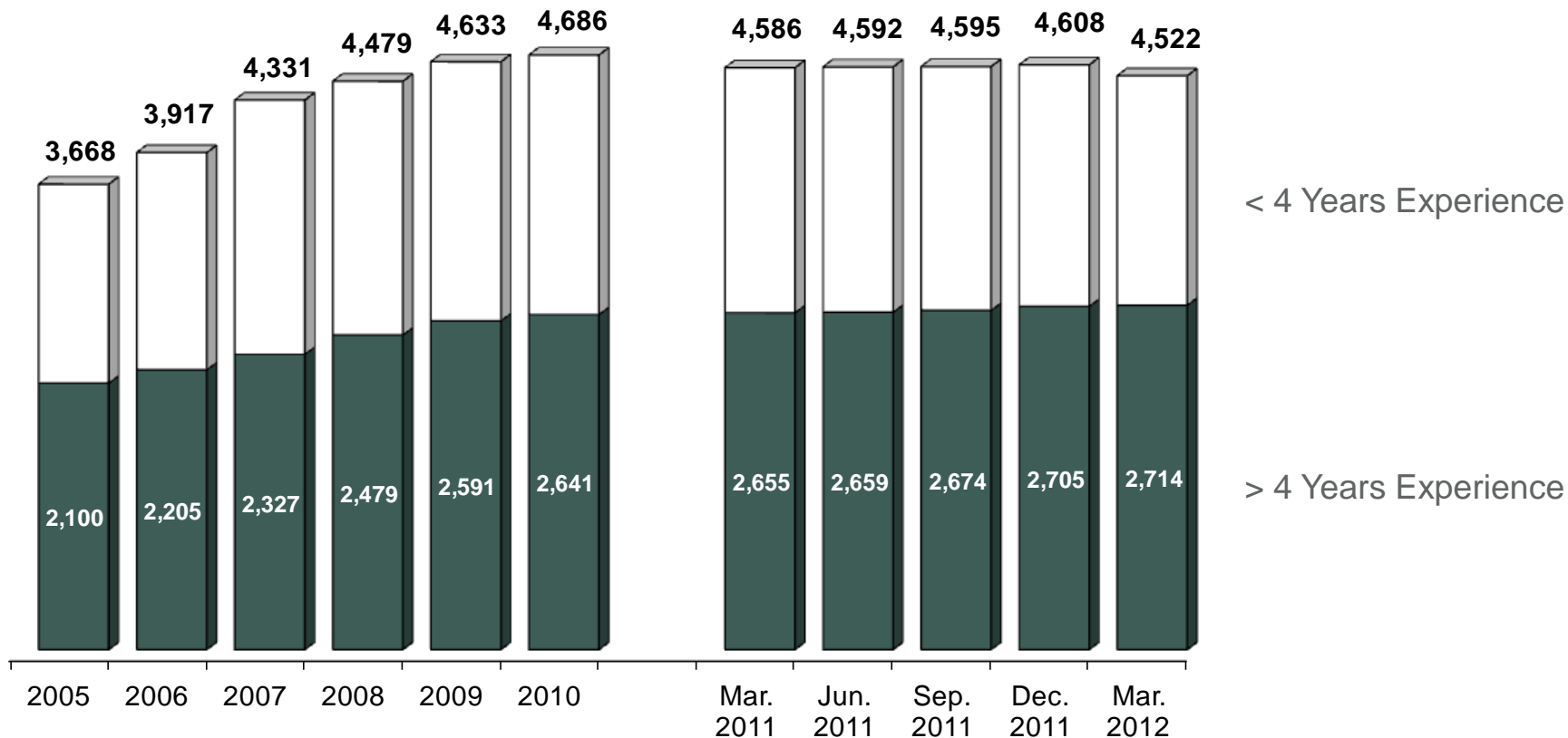
**3. Investors Group**



# Investors Group Consultant Network

- ◆ *The number of Consultants with more than four years experience increased to 2,714 at March 31, 2012 compared to 2,705 at December 31, 2011.*

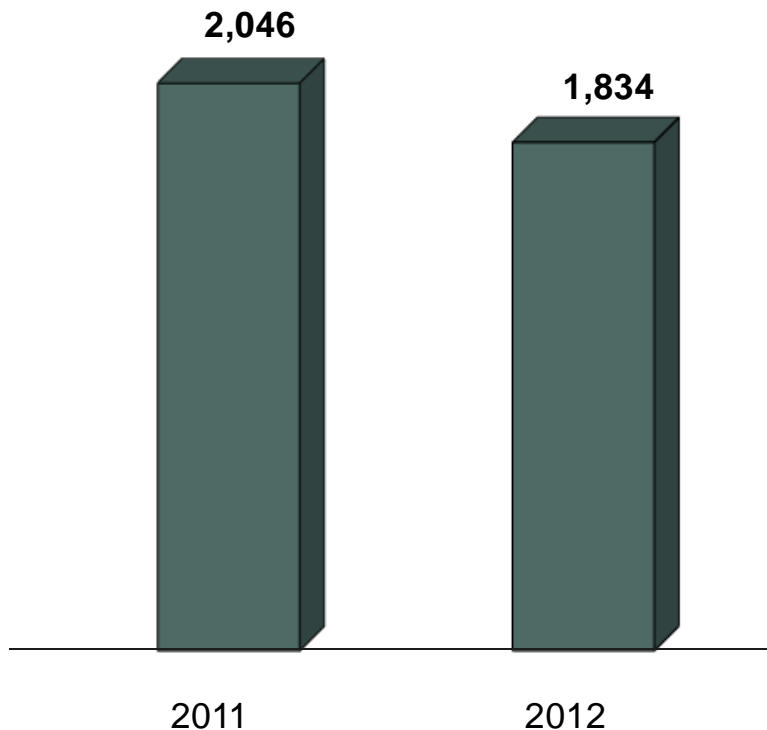
Number of Investors Group Consultants  
As at December 31 (unless otherwise indicated)



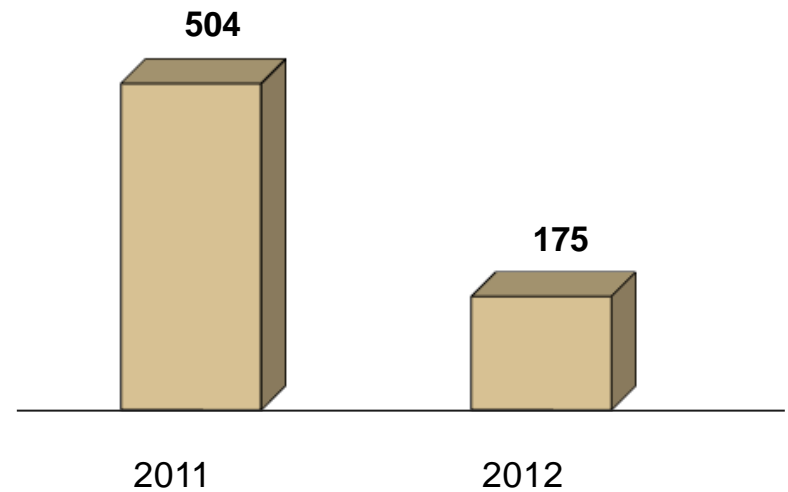
# Investors Group Mutual Fund Sales

- ◆ *Investors Group had gross sales of \$1.8 billion during Q1, 2012 and net sales of \$175 million.*

**Mutual Fund Gross Sales**  
Three months ended March 31  
(\$ Millions)



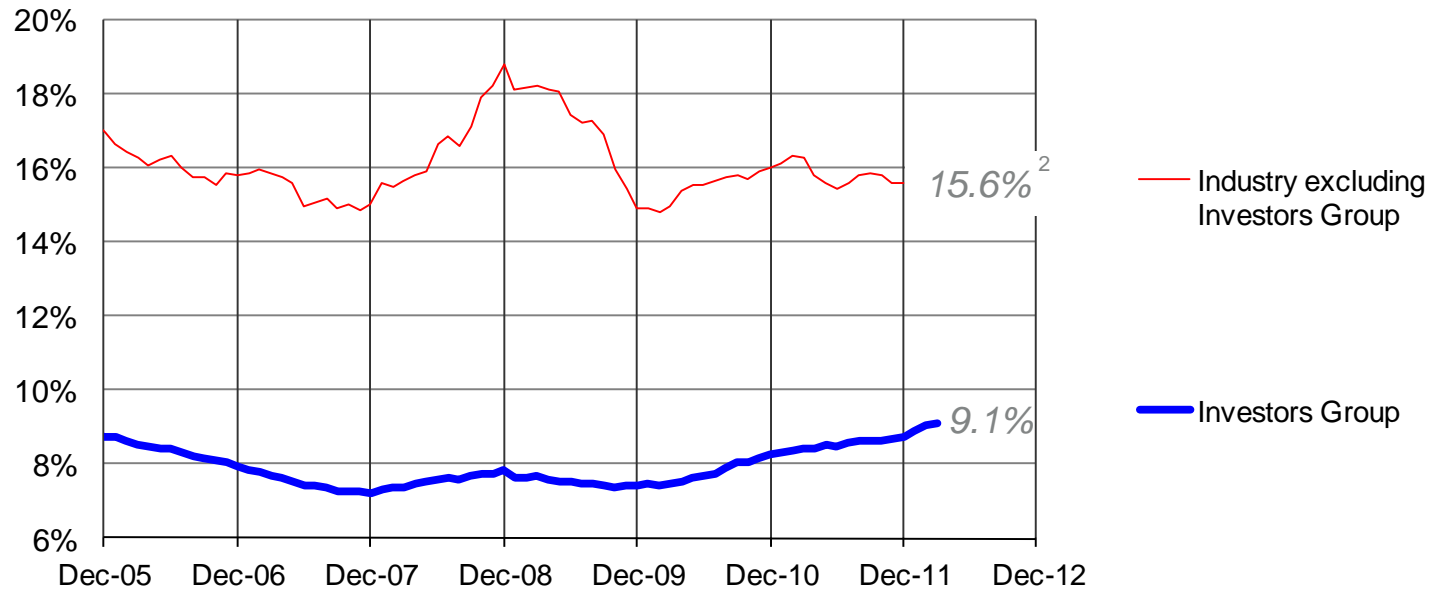
**Mutual Fund Net Sales**  
Three months ended March 31  
(\$ Millions)



# Investors Group Mutual Fund Redemption Rate

- ◆ *Investors Group's twelve month trailing redemption rate on long term mutual funds was 9.1% at March 31, 2012, well below the industry average.*

**Redemption Rate on Long Term Mutual Funds <sup>1</sup>**  
(Last Twelve Month Trailing % of Average Assets Under Management)

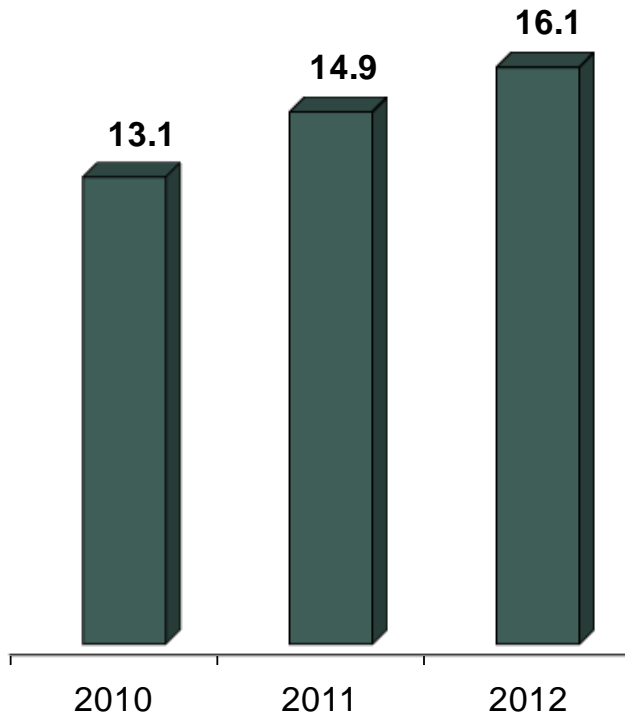


1. All numbers exclude CI Investments and Invesco from the date that they discontinued reporting to IFIC. CI discontinued reporting to IFIC during December, 2008 and Invesco discontinued reporting to IFIC during October, 2010.
2. Twelve month trailing redemption rate as of December 31, 2011.

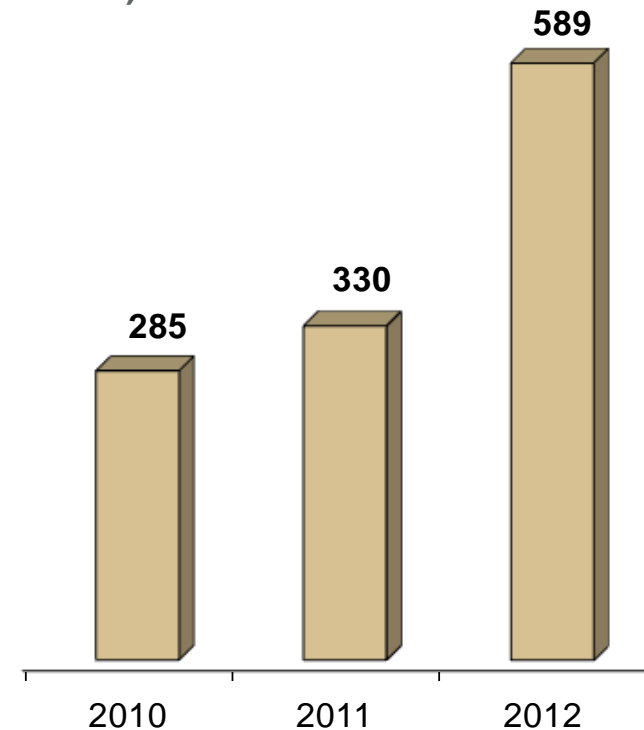
# Insurance and Mortgage Distribution

- ◆ *Investors Group insurance sales increased by 8% during the first quarter of 2012 relative to 2011 and mortgage originations were up 79%.*

New Annualized Insurance Premiums  
Three months ended March 31  
(\$ Millions)



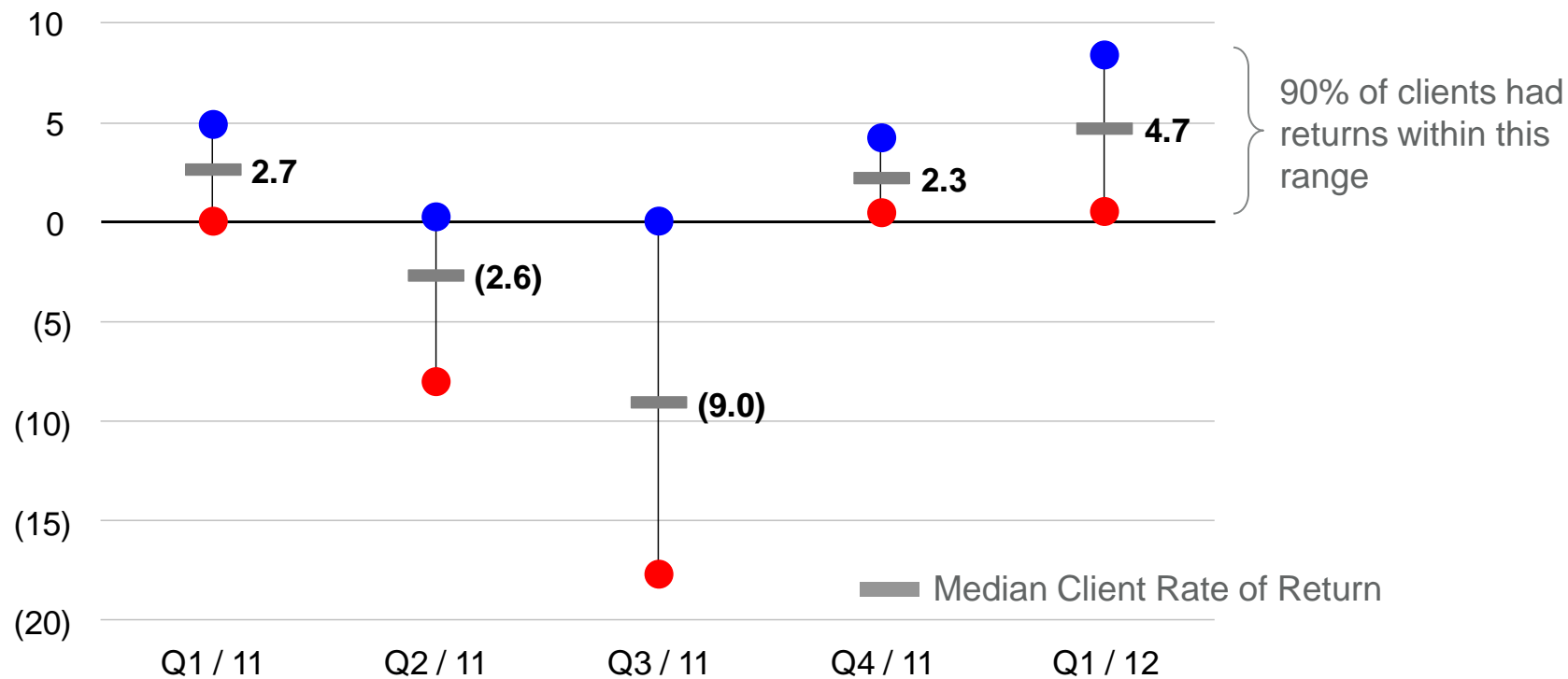
Mortgage Originations  
Three months ended March 31  
(\$ Millions)



# Investors Group Client Experience

- ◆ *During the first quarter of 2012 the median client return was approximately 4.7%.*

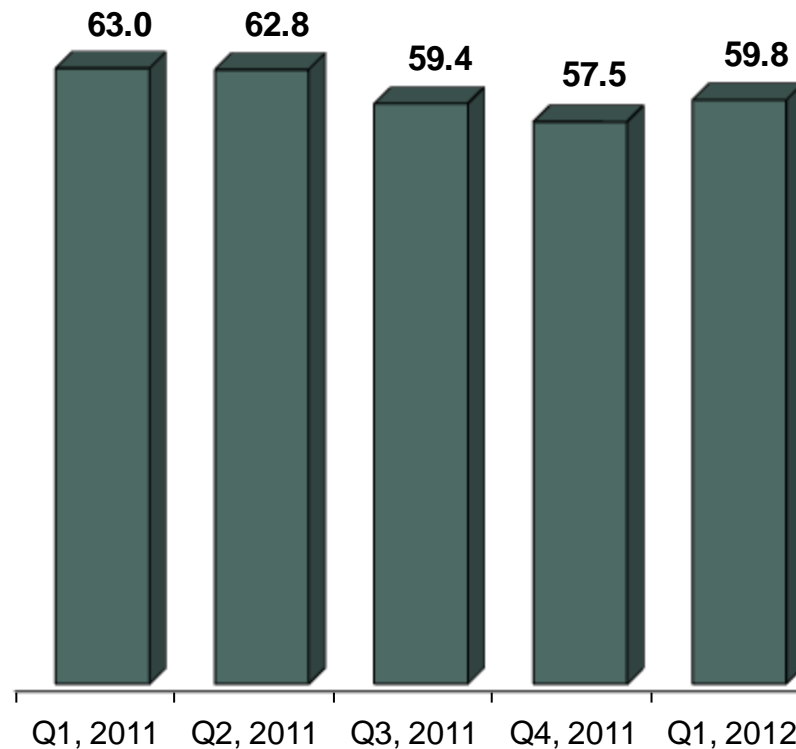
Investors Group Client Rate of Return (%)



# Investors Group Mutual Fund Assets Under Management

- ◆ *The average balance of mutual fund assets under management declined by 5.1% during Q1, 2012 relative to Q1, 2011.*

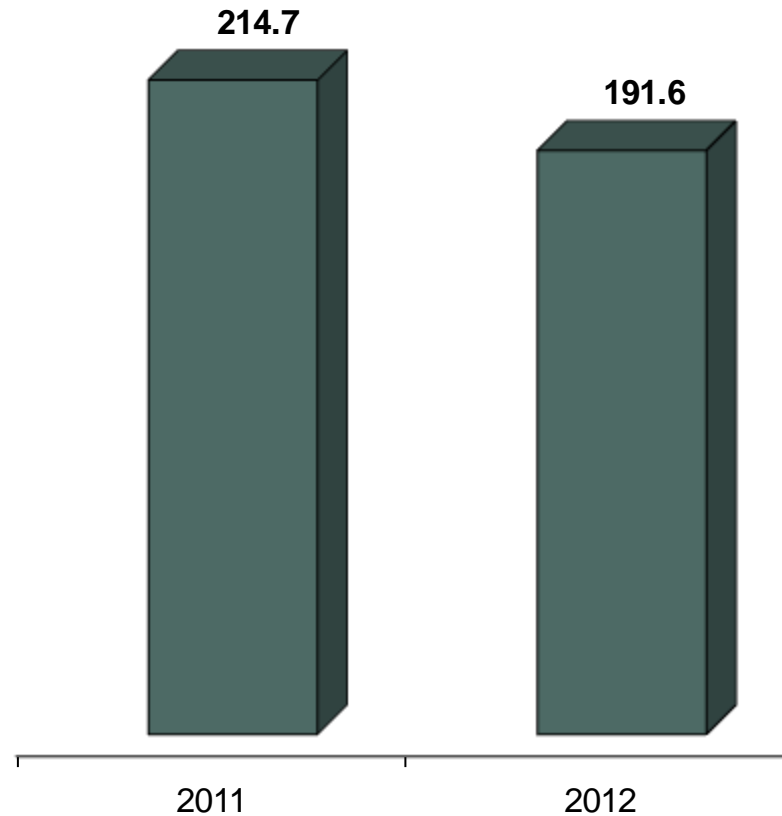
Average Assets Under Management (\$ Billions)



# Investors Group Operating Segment – EBIT

- ◆ *Investors Group's Operating Earnings before Interest & Taxes declined by 10.8% during Q1, 2012 relative to Q1, 2011.*

Earnings before Interest & Taxes  
Three months ended March 31 (\$ Millions)



*Investors Group*

# Investors Group Operating Segment – EBIT

- ◆ *Investors Group's Operating Earnings before Interest & Taxes were \$191.6 million during the first quarter of 2012.*

Three months ended March 31  
(\$ Millions, unless otherwise indicated)

	<u>2011</u>	<u>2012</u>	<u>Change</u>
Average mutual fund assets under management (\$ billions)	63.0	59.8	(5.1%)
Revenues			
Management fees	297.6	281.0	(5.6%)
Administration fees	<u>57.9</u>	<u>55.5</u>	(4.1%)
	355.5	336.5	(5.3%)
Distribution fees	<u>47.7</u>	<u>49.3</u>	3.4%
	403.2	385.8	(4.3%)
Net investment income and other	<u>21.3</u>	<u>21.5</u>	0.9%
Total	424.5	407.3	(4.1%)
Expenses			
Commission amortization	45.2	46.1	1.9%
Other commission	<u>78.8</u>	<u>77.5</u>	(1.7%)
Commission	124.0	123.6	(0.3%)
Non-commission	<u>85.8</u>	<u>92.1</u>	7.3%
Total	209.8	215.7	2.8%
Earnings before interest and taxes	<u><b>214.7</b></u>	<u><b>191.6</b></u>	(10.8%)



# Investors Group Developments

## 1. Consultant Network

- Continued expansion of the Consultant Network with one new region office in Calgary announced during the first quarter which will expand our network to 107 region offices across Canada.
- During the first quarter of 2012 there was a reduction in the number of Consultants as we generally experience a seasonally slower recruiting period in the early part of the year.

## 2. Growth in Mortgages and Insurance

- Mortgage originations of \$589 million during Q1, 2012 (up 79% relative to Q1, 2011).
- New annualized insurance premiums of \$16.1 million during Q1, 2012 (up 8% relative to Q1, 2011).
- Total segregated fund assets of \$1.1 billion at March 31, 2012 (up 19% from \$958 million at March 31, 2011).