



REPORT TO SHAREHOLDERS

IGM Financial and its operating companies experienced an increase in operating earnings and assets under management in 2013.

Investors Group Inc. and Mackenzie Financial Corporation, the Company's principal businesses, continued to generate business growth through product innovation, improved sales, pricing enhancements, additional investment management resources and overall resource management throughout the year.

The Company is well diversified through its multiple distribution channels, product types, investment management units and fund brands. Assets under management are diversified by country of investment, industry sector, security type and management style.

We believe the vast majority of Canadians are best served through the support of a financial advisor who can help them to plan for and achieve their financial goals. The importance of financial advice continued to be evident as we moved out of several years of volatile equity markets to a stronger period of long-term growth in equity values in the latter part of 2012 and throughout 2013.

In May 2013, Jeffrey R. Carney was appointed President and Chief Executive Officer of Mackenzie Financial Corporation, and Co-President and Chief Executive Officer of IGM Financial Inc. He has more than 25 years of leadership experience at large financial services companies in Canada and the U.S., both in retail and institutional markets.

The scope of our business and our association with other members of the Power Financial Corporation group of companies have placed the Company in a position of leadership and strength in the financial services industry. Together, these elements enable IGM Financial to create long-term value for its clients, consultants, advisors, employees and shareholders over time.

FINANCIAL HIGHLIGHTS

Operating earnings available to common shareholders,¹ excluding other items, for the year ended December 31, 2013, were \$763.5 million or \$3.02 per share compared to operating earnings available to common shareholders, excluding other items, of \$746.4 million or \$2.92 per share in 2012.

¹ Please refer to the reconciliation of non-IFRS financial measures to measures prescribed by IFRS in Management's Discussion and Analysis (MD&A) on page 17 of this Annual Report.

Net earnings available to common shareholders for the year ended December 31, 2013, were \$761.9 million or \$3.02 per share compared to net earnings available to common shareholders of \$758.8 million or \$2.97 per share in 2012.

Total assets under management at December 31, 2013, totalled \$131.8 billion. This compared with total assets under management of \$120.7 billion at December 31, 2012, an increase of 9.2%.

Dividends were \$2.15 per share for the year, unchanged from the prior year.

INDUSTRY PERSPECTIVE

Most Canadians who invest know, and appreciate, the benefits of working with a financial advisor. In repeated surveys since 2006, the Investment Funds Institute of Canada (IFIC) has found approximately 85% of mutual fund investors prefer to invest through an advisor and they highly rate their advisor's support.

Research shows that Canadians who rely on advice to guide their financial decisions are wealthier, more confident and better prepared for the financial implications of marriage, a new child, their children's education, retirement and other life events.

In 2012, a study from Montreal-based Center for Interuniversity Research and Analysis on Organizations (CIRANO) was published showing that advisors positively affect the level of wealth of Canadian households. After controlling for a host of socio-economic, demographic and attitudinal variables that can affect wealth, the research indicates that advised households have, on average, twice the level of financial assets when compared to their non-advised counterparts, and that this additional wealth is largely attributed to a greater savings discipline.

OPERATING HIGHLIGHTS

Investors Group continued to expand the number of its region offices in 2013, for a total of 109 across Canada. Throughout 2013, our Consultant network grew by 155. As at December 31, 2013, there were 4,673 Consultants working with clients to help them understand the benefits of long-term financial planning.

Investors Group continued to respond to the complex financial needs of its clients by delivering a diverse

range of products and services in the context of personalized financial advice. In July, we introduced a new Series U of our funds for households with financial assets in excess of \$500,000, which provides separate pricing for fund management and an advisory fee charged to client accounts.

Investors Group mutual fund assets under management were \$68.3 billion at the end of 2013, compared to \$60.6 billion at December 31, 2012. Mutual fund sales were \$6.7 billion, up more than 15%, compared to mutual fund sales in 2012 of \$5.8 billion. Our redemption rate on long-term mutual funds was 9.4% during 2013, compared to 10.0% during 2012. Net sales of mutual funds in 2013 were \$159 million.

Mackenzie undertook several important initiatives in 2013. We simplified and restructured our product lineup to be more relevant and launched in-demand funds to meet the evolving needs of investors and advisors. We also introduced a Series D version of our funds, offering a channel-appropriate fee structure to do-it-yourself investors. Mackenzie maintained its focus on delivering consistent long-term investment performance by attracting key investment management talent and analytical personnel as we continued to support advisors in all aspects of their business.

Mackenzie's total assets under management were \$65.3 billion at the end of 2013, compared to \$61.5 billion at December 31, 2012. Mutual fund assets under management were \$46.0 billion, compared to \$40.4 billion at December 31, 2012. Mutual fund gross sales were \$6.7 billion, up 22% from the prior year's level of \$5.5 billion and reflects our best result in the last five years. Mutual fund net redemptions were \$0.5 billion, an improvement of \$1.5 billion relative to net redemptions of \$2.0 billion during 2012.

IGM Financial continues to build its business through its extensive network of distribution opportunities delivering high-quality advice and innovative, flexible solutions for investors. Our investment in technology and operations continue to help us manage our resources effectively and develop long-term growth in our business. The strength of our businesses, combined with our association with the Power Financial Corporation group of companies, gives IGM Financial a strong foundation to build upon.

CORPORATE SOCIAL RESPONSIBILITY

IGM Financial has a long-standing commitment to act responsibly in everything we do, which is fundamental to long-term profitability and value creation. We conduct our business with an emphasis on good governance, operational integrity and ethical practices, and have adopted an extensive Code of Conduct governing our directors, officers and employees. In 2013, the Board formalized our strategy by establishing a Corporate Social Responsibility (CSR) Statement articulating our enduring values and commitments to responsible management.

Our core business is meeting our clients' needs by assisting them in achieving their financial goals through professional financial advice. We have a disciplined approach to both client wealth management and managing our business, with an emphasis on planning and measured risk-taking with a long-term view. At a broader level, we also believe that advancing financial literacy and financial security of all Canadians is important to society.

We are committed to managing our environmental footprint responsibly. This was demonstrated in 2013 by reporting on our environmental impacts and strategies for the first time through the Carbon Disclosure Project (CDP) survey. Our efforts were well-recognized, ranking among the top companies in the Canadian financial sector.

In 2013, the Cambridge University Students' Union recognized IGM Financial as an employer of choice

in its publication *Strategies For Success: Employers, Education, Excellence & Careers*. Our focus on continuing education, community involvement and employee volunteerism were given significant recognition.

We have an ongoing commitment to contribute to the communities where we operate through a range of philanthropic activities at each of our operating companies.

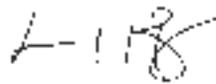
In the year ahead, we are committed to advancing our CSR strategy and continuing to act responsibly in everything we do.

LOOKING AHEAD

As Canadians look forward to their future financial goals, they will increasingly be focused on making informed decisions to provide for their long-term financial planning needs.

IGM Financial continues to focus on providing quality investment advice and financial products, service innovations, effective management of the Company and long-term value for our clients and shareholders.

On behalf of the Board of Directors,



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



Jeffrey R. Carney
Co-President and
Chief Executive Officer
IGM Financial Inc.

February 14, 2014



THE HONOURABLE PAUL DESMARAIS, P.C., C.C., O.Q.

The Honourable Paul Desmarais, former Chairman and Chief Executive Officer of Power Corporation of Canada, passed away on October 8, 2013.

Mr. Desmarais had long and deep ties with the IGM Financial companies, dating back more than 48 years. He joined the Board of Investors Syndicate Limited in 1966 and served as Director on succeeding company boards until 2004 when he was named Director Emeritus of the IGM Financial Board. His foresight, wisdom and leadership played an instrumental role in the development and success of our companies.