



REPORT TO SHAREHOLDERS

IGM Financial and its operating companies experienced an increase in operating earnings and assets under management in 2014.

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 and the need for global diversification continued to be evident with the sharp decline in the price of crude oil, which impacted the energy-reliant Canadian market.

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.

FINANCIAL HIGHLIGHTS

Operating earnings available to common shareholders,¹ excluding other items, for the year ended December 31, 2014 were \$826.1 million or \$3.27 per share compared to \$763.5 million or \$3.02 per share in 2013.

Net earnings available to common shareholders for the year ended December 31, 2014 were \$753.3 million or \$2.98 per share compared to \$761.9 million or \$3.02 per share in 2013.

Total assets under management at December 31, 2014 were \$141.9 billion, the highest year-end level in the history of the Company, compared to \$131.8 billion at December 31, 2013. Mutual fund assets under management at December 31, 2014 were \$126.0 billion, the highest year-end level in the history of the Company, compared to \$117.6 billion at December 31, 2013.

Dividends were \$2.175 per share for the year, up 1.2% from 2013.

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 that approximately 85% of mutual fund investors prefer to invest through an advisor and they highly rate their advisor's support.

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.

Research continues to show 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 2014, the Conference Board of Canada's September report, "Boosting retirement readiness and the economy through financial advice," examined how financial advice can boost household savings, leading to better retirement readiness and improved economic prospects in the long term. Through a literature review, the researchers concluded that by creating discipline in the ability of individuals to save, a financial advisor is able to increase savings rates, which in turn will lead to better asset allocation for clients.

OPERATING HIGHLIGHTS

Investors Group continued to expand the number of its region offices in 2014, to a total of 110 across Canada. Throughout 2014, our Consultant network grew by 472 for a total of 5,145 by year-end, the highest level in the history of the company.

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 long-term financial planning and personalized financial advice.

Investors Group mutual fund assets under management were \$73.5 billion at the end of 2014, compared to \$68.3 billion at December 31, 2013. Mutual fund sales were \$7.5 billion, up 11.9% from 2013 sales of \$6.7 billion. The redemption rate on long-term mutual funds was 8.7% during 2014, compared to 9.4% during 2013. Net sales of mutual funds in 2014 were \$651 million.

Mackenzie Investments maintained its focus on delivering consistent long-term investment performance by attracting key investment management talent, building

new leadership and executing on initiatives to achieve its strategic priorities as it continued to support advisors in all aspects of their business.

Mackenzie Investments total assets under management were \$70.9 billion at the end of 2014, compared to \$65.3 billion at December 31, 2013. Mutual fund assets under management were \$48.8 billion, compared to \$46.0 billion at December 31, 2013. Mutual fund gross sales were \$7.1 billion, up 5.5% from the 2013 total of \$6.7 billion, and the company's best result in the last six years. Mutual fund net redemptions were \$209 million, an improvement of \$278 million over 2013.

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 continues to help us manage our resources effectively and develop long-term growth in our business.

CORPORATE RESPONSIBILITY

At IGM Financial, our core business is helping Canadians to plan for and achieve their financial goals. Because of this trust placed in us, we have a long-standing commitment to act responsibly in everything we do.

We believe that considering the environmental, social and governance impacts of our business contributes to long-term profitability and value creation. In 2014, IGM Financial continued to address these impacts through the advancement of its corporate responsibility strategy. A number of notable milestones were achieved:

- IGM Financial launched its first corporate responsibility report, providing information tailored to our stakeholders. The report is available at igmfinancial.com.
- Investors Group and Mackenzie Investments became signatories to the Principles for Responsible

Investment, joining a collaborative effort of global investors in the goal to develop a more sustainable financial system.

- The IGM Financial companies maintained our strong commitment to financial literacy and to support the communities where we live and work. Investors Group and Mackenzie Investments continued to be recognized as Imagine Canada Caring Companies.
- IGM Financial was named to the CDP's Climate Disclosure Leadership Index along with a select group of Canada's leading companies chosen for their commitment to transparency and accountability on climate issues by the CDP. The company earned the distinction based on its response to the 2014 CDP survey.

We are proud of our achievements, our commitments and our people. In the years ahead we look forward to building on the foundation of responsible management we have created.

BOARD OF DIRECTORS

A number of changes to the Board of Directors were announced at IGM Financial Inc.'s Annual Meeting of the Shareholders in May 2014.

Jacques Parisien and Marcel Coutu were elected to the Board. Mr. Parisien was most recently a member of the Executive Committee of Bell Media until his retirement in December 2013. Mr. Coutu is the former Chairman of Syncrude Canada Ltd., and is past President and Chief Executive Officer of Canadian Oil Sands Limited.

Retiring from the Board were Chris Clark, Ray McFeetors and Gerard Veilleux.

Mr. Clark has served on the Board since 2012. He had been a member of the Audit, Executive and Investment Committees during his term.

Mr. McFeetors had been a Board member since 2001.

Mr. Veilleux had been a Board member since 1997. He had been a member of the Community Affairs Committee since 1997 and served on the Corporation's Audit Committee from 1998 until 2003.

In addition, Heather Conway resigned from the Board in the fall of 2013 as a result of new responsibilities with a major media outlet. Ms. Conway became a Board member in 2010. She was a member of the Executive and Investment Committees during her tenure.

We thank all of our departing directors for their years of service and their valuable contributions to the Board.

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.*



R. Jeffrey Orr
*Chairman of the Board
IGM Financial Inc.*

February 13, 2015