



## News Release

Readers are referred to the disclaimer regarding Forward-Looking Statements, Non-IFRS Financial Measures and Additional IFRS Measures at the end of this Release.

### IGM FINANCIAL INC. REPORTS THIRD QUARTER EARNINGS

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**Winnipeg – November 7, 2013:** IGM Financial Inc. (IGM or the Company) (TSX:IGM) today announced earnings results for the third quarter of 2013.

Net earnings available to common shareholders for the three months ended September 30, 2013 were \$193.4 million or 77 cents per share compared to net earnings available to common shareholders of \$186.2 million or 73 cents per share for the comparative period in 2012.

Operating earnings available to common shareholders for the nine months ended September 30, 2013 were \$564.8 million or \$2.24 per share compared to operating earnings available to common shareholders, excluding other items<sup>1</sup>, of \$563.2 million or \$2.20 per share in 2012.

Net earnings available to common shareholders for the nine months ended September 30, 2013 were \$564.8 million or \$2.24 per share compared to net earnings available to common shareholders of \$556.8 million or \$2.17 per share in 2012.

Revenues for the three months ended September 30, 2013 were \$667.5 million compared to \$634.1 million in the third quarter of 2012. Revenues for the nine months ended September 30, 2013 were \$1.99 billion compared to \$1.94 billion a year ago. Expenses were \$416.0 million for the third quarter of 2013 compared to \$395.4 million a year ago and \$1.26 billion for the nine month period compared to \$1.22 billion in 2012.

Total assets under management at September 30, 2013 were \$126.0 billion. This compared with total assets under management of \$119.3 billion at September 30, 2012.

Shareholders' equity at September 30, 2013 was \$4.6 billion, compared to \$4.4 billion at September 30, 2012. Return on average common equity based on operating earnings for the nine months ended September 30, 2013 was 17.2% compared to 17.4% for the comparative period in 2012.

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<sup>1</sup> Other items for the nine months ended September 30, 2012 consisted of a non-cash income tax charge of \$6.4 million resulting from increases in Ontario corporate income tax rates and their effect on the deferred income tax liability related to indefinite life intangible assets arising from prior business acquisitions.



### **INVESTORS GROUP OPERATIONS**

“Our Consultant Network increased from 4,550 to 4,599 during the quarter based primarily on higher levels of recruiting,” said Murray J. Taylor, President and Chief Executive Officer of Investors Group Inc. “Assets under management reached \$64.4 billion at September 30, 2013, the highest quarter end amount in the history of the company.”

Mutual fund sales for the third quarter of 2013 were \$1.44 billion compared to \$1.22 billion in the prior year, and mutual fund net redemptions for the third quarter were \$109 million compared to net redemptions of \$314 million a year ago.

Mutual fund sales for the nine months ended September 30, 2013 were \$4.97 billion compared to \$4.36 billion in the prior year, and mutual fund net sales were \$100 million compared to net redemptions of \$463 million a year ago.

The twelve month trailing redemption rate (excluding money market funds) was 9.7% at September 30, 2013, compared to 9.8% at June 30, 2013.

Mutual fund assets under management at September 30, 2013 were \$64.4 billion compared to \$59.6 billion at September 30, 2012.

### **MACKENZIE OPERATIONS**

Mutual fund sales for the third quarter of 2013 were \$1.30 billion, an increase of 21% compared to \$1.08 billion the prior year. Mutual fund net redemptions for the third quarter were \$223 million compared to net redemptions of \$464 million a year ago.

Total sales for the third quarter of 2013 were \$2.52 billion compared to \$2.45 billion in the prior year. Total net redemptions for the third quarter were \$2.73 billion compared to total net redemptions of \$1.01 billion a year ago. Excluding the impact of a previously announced \$2.44 billion sub-advisory mandate loss, net redemptions for the third quarter were \$0.29 billion.

Total sales for the nine months ended September 30, 2013 were \$9.22 billion compared to \$7.13 billion in the prior year. Total net redemptions were \$2.64 billion compared to total net redemptions of \$3.23 billion a year ago.

“Improving equity markets, strong investment performance, and the introduction of new products have led to improved sales momentum,” said Jeffrey R. Carney, President and Chief Executive Officer of Mackenzie Financial Corporation. “This is our highest level of third quarter mutual fund sales over the past five years.”

Mackenzie’s total assets under management at September 30, 2013 were \$63.3 billion compared with total assets under management of \$61.0 billion at September 30, 2012. Mutual fund assets under management at September 30, 2013 were \$43.6 billion compared to \$39.7 billion a year ago.

### **DIVIDENDS**

The Board of Directors has declared a dividend of 53.75 cents per share on the Company’s common shares and has declared a dividend of \$0.36875 per share on the Company’s 5.90% Non-Cumulative First Preferred Shares, Series “B”. The common share dividend and the preferred share dividend are payable on January 31, 2014 to shareholders of record on December 31, 2013.

## **FORWARD-LOOKING STATEMENTS**

*Certain statements in this Release, 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 to assist 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. 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. While the Company considers these assumptions to be reasonable based on information currently available to management, they may prove to be incorrect.*

*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 and its subsidiaries' success in anticipating and managing the foregoing factors.*

*The reader is cautioned that the foregoing list 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 applicable Canadian 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 and material factors or assumptions on which information contained in forward-looking statements is based 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 AND ADDITIONAL IFRS MEASURES**

*This release contains non-IFRS financial measures and additional IFRS measures. Net earnings available to common shareholders, which is an additional measure in accordance with International Financial Reporting Standards (IFRS), may be subdivided 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.*

*Terms by which non-IFRS financial measures are identified include but are not limited to “operating earnings available to common shareholders”, “operating earnings per share”, “operating return on average common equity” and other similar expressions. Non-IFRS financial measures are used to provide management and investors with additional measures to assess earnings performance. However, non-IFRS financial measures do not have standard meanings prescribed by IFRS and are not directly comparable to similar measures used by other companies. Please refer to the attached Financial Highlights for the appropriate reconciliations of these non-IFRS financial measures to measures prescribed by IFRS.*

*Terms by which additional IFRS measures are identified include “earnings before income taxes and discontinued operations”, “net earnings from continuing operations” and “net earnings available to common shareholders”. Additional IFRS measures are used to provide management and investors with additional measures to assess earnings performance. These measures are considered additional IFRS measures as they are in addition to the minimum line items required by IFRS and are relevant to an understanding of the entity’s financial performance.*

The Consolidated Financial Statements and Management’s Discussion and Analysis (MD&A) of operating results are available on IGM Financial Inc.’s website at [www.igmfinancial.com](http://www.igmfinancial.com).

*IGM Financial Inc. is one of Canada's premier personal financial services companies, and one of the country's largest managers and distributors of mutual funds and other managed asset products, with over \$129 billion in total assets under management as of October 31, 2013. Its activities are carried out principally through Investors Group, Mackenzie Financial Corporation and Investment Planning Counsel. IGM Financial Inc. is a member of the Power Financial Corporation group of companies.*

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**Media Note:** A live webcast of IGM’s Analyst conference call for the Third Quarter 2013 will be held Friday November 8, 2013 at 10:00 A.M. (ET) at [www.igmfinancial.com](http://www.igmfinancial.com). Media and interested parties may alternatively choose to listen to the live analyst teleconference call by dialing **1-866 226-1793** or **416-340-2218**.

**IGM FINANCIAL INC.****Consolidated Statements of Earnings**

<i>(unaudited)</i> <i>(in thousands of Canadian dollars,</i> <i>except shares and per share amounts)</i>	Three months ended September 30		Nine months ended September 30	
	2013	2012 Restated	2013	2012 Restated
<b>Revenues</b>				
Management fees	\$ 462,196	\$ 431,502	\$ 1,357,022	\$ 1,331,657
Administration fees	90,370	83,347	263,814	252,584
Distribution fees	76,211	75,160	237,410	240,873
Net investment income and other	15,373	23,903	65,235	63,071
Proportionate share of affiliate's earnings	23,316	20,219	63,636	56,406
	<b>667,466</b>	634,131	<b>1,987,117</b>	1,944,591
<b>Expenses</b>				
Commission	219,711	209,758	656,739	644,861
Non-commission	173,071	162,478	533,606	504,714
Interest	23,199	23,163	68,911	68,986
	<b>415,981</b>	395,399	<b>1,259,256</b>	1,218,561
Earnings before income taxes	251,485	238,732	727,861	726,030
Income taxes	55,878	50,266	156,452	162,581
<b>Net earnings</b>	<b>195,607</b>	188,466	<b>571,409</b>	563,449
Perpetual preferred share dividends	2,213	2,213	6,638	6,638
<b>Net earnings available to common shareholders</b>	<b>\$ 193,394</b>	\$ 186,253	<b>\$ 564,771</b>	\$ 556,811
Average number of common shares (in thousands)				
- Basic	252,021	254,516	251,976	255,636
- Diluted	252,604	254,905	252,451	256,202
Earnings per share (in dollars)				
- Basic	\$ 0.77	\$ 0.73	\$ 2.24	\$ 2.18
- Diluted	\$ 0.77	\$ 0.73	\$ 2.24	\$ 2.17

**Financial Highlights**

<i>(unaudited)</i>	For the three months ended September 30			As at and for the nine months ended September 30		
	2013	2012	Change	2013	2012	Change
<b>Earnings available to</b>						
<b>common shareholders</b> (\$ millions)						
Operating Earnings <sup>(1)</sup>	\$ 193.4	\$ 186.2	3.8 %	\$ 564.8	\$ 563.2	0.3 %
Net Earnings	193.4	186.2	3.8	564.8	556.8	1.4
<b>Diluted earnings per share</b>						
Operating Earnings <sup>(1)</sup>	0.77	0.73	5.5	2.24	2.20	1.8
Net Earnings	0.77	0.73	5.5	2.24	2.17	3.2
<b>Return on equity</b>						
Operating Earnings <sup>(1)</sup>				17.2%	17.4%	
Net Earnings				17.2%	17.2%	
<b>Dividends per share</b>	<b>0.5375</b>	0.5375	-	<b>1.6125</b>	1.6125	-

<b>Total assets under management</b> <sup>(2)</sup> (\$ millions)	<b>\$ 126,007</b>	\$ 119,279	5.6 %
<b>Investors Group</b>			
<b>Mutual funds</b>	<b>64,433</b>	59,592	8.1
<b>Mackenzie</b>			
<i>Mutual funds</i>	43,594	39,728	
<i>Sub-advisory, institutional and other accounts</i>	19,677	21,280	
<b>Total</b>	<b>63,271</b>	61,008	3.7
<b>Counsel</b>			
<b>Mutual funds</b>	<b>3,162</b>	2,909	8.7

<b>Mutual Funds and Institutional Sales</b> (\$ millions)	Investors Group	Mackenzie		Counsel	Total <sup>(4)</sup>
		Mutual Funds	Total <sup>(3)</sup>		
For the three months ended September 30, 2013					
<b>Gross sales</b>	\$ 1,445	\$ 1,297	\$ 2,520	\$ 94	\$ 3,694
<b>Net sales (redemptions)</b>	(109)	(223)	(2,727)	16	(2,896)
For the nine months ended September 30, 2013					
<b>Gross sales</b>	\$ 4,974	\$ 4,676	\$ 9,215	\$ 338	\$ 13,415
<b>Net sales (redemptions)</b>	100	(486)	(2,644)	26	(2,757)

<sup>(1)</sup> Non-IFRS Financial Measures:

- 2012 operating earnings excluded a non-cash income tax charge of \$6.4 million, recorded in the second quarter, resulting from increases in Ontario corporate income tax rates and their effect on the deferred income tax liability related to indefinite life intangible assets arising from prior business acquisitions. There is no expectation that the deferred tax liability will become payable as the Company has no intention of disposing of these assets.

<sup>(2)</sup> Total assets under management excluded \$4.9 billion of assets sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel (\$4.2 billion at September 30, 2012).

<sup>(3)</sup> In the third quarter of 2013, Waddell & Reed Financial Inc. internalized a \$2.4 billion mandate previously sub-advised by Mackenzie.

<sup>(4)</sup> Total Gross Sales and Net Sales for the three months ended September 30, 2013 excluded \$365 million and \$76 million respectively in accounts sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel. Total Gross Sales and Net Sales for the nine months ended September 30, 2013 excluded \$1.1 billion and \$239 million respectively in accounts sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel.