



## 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 SECOND QUARTER EARNINGS

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**Winnipeg – August 7, 2014:** IGM Financial Inc. (IGM or the Company) (TSX:IGM) today announced earnings results for the second quarter of 2014.

Operating earnings available to common shareholders, excluding other items<sup>1</sup>, for the three months ended June 30, 2014 were \$203.9 million or 81 cents per share compared to operating earnings available to common shareholders of \$190.9 million or 76 cents per share in 2013.

Net earnings available to common shareholders for the three months ended June 30, 2014 were \$190.3 million or 75 cents per share compared to net earnings available to common shareholders of \$190.9 million or 76 cents per share for the comparative period in 2013.

Operating earnings available to common shareholders, excluding other items<sup>1</sup>, for the six months ended June 30, 2014 were \$398.3 million or \$1.57 per share compared to operating earnings available to common shareholders of \$371.4 million or \$1.47 per share in 2013.

Net earnings available to common shareholders for the six months ended June 30, 2014 were \$384.7 million or \$1.52 per share compared to net earnings available to common shareholders of \$371.4 million or \$1.47 per share for the comparative period in 2013.

Revenues for the three months ended June 30, 2014 were \$720.2 million compared to \$667.0 million for the comparative period in 2013. Revenues for the six months ended June 30, 2014 were \$1.44 billion compared to \$1.32 billion a year ago. Expenses were \$479.8 million for the second quarter of 2014 compared to \$424.6 million a year ago and \$941.5 million for the six month period compared to \$843.3 million in 2013.

Total assets under management at June 30, 2014 were \$141.4 billion compared to \$124.8 billion at June 30, 2013. Mutual fund assets under management at June 30, 2014 were \$125.2 billion compared to \$107.6 billion at June 30, 2013.

Shareholders' equity at June 30, 2014 was \$4.8 billion, compared to \$4.5 billion at June 30, 2013. Return on average common equity based on operating earnings for the six months ended June 30, 2014 was 17.3% compared to 17.1% for the comparative period in 2013.

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<sup>1</sup> Other items for the three and six months ended June 30, 2014 consisted of an after-tax charge of \$13.6 million related to restructuring and other charges.



### **INVESTORS GROUP OPERATIONS**

“Our Consultant Network increased to 4,871 at the end of the quarter as a result of a net increase of 140 in the quarter following four strong previous quarterly increases,” said Murray J. Taylor, President and Chief Executive Officer of Investors Group Inc. “Assets under management, which reached record highs during the quarter, were \$72.4 billion at June 30, 2014.”

Mutual fund sales for the second quarter of 2014 were \$1.67 billion compared to \$1.49 billion in the prior year, and mutual fund net redemptions for the second quarter were \$39 million compared to net redemptions of \$167 million a year ago.

Mutual fund sales for the six months ended June 30, 2014 were \$3.90 billion compared to \$3.53 billion in the prior year, and mutual fund net sales were \$371 million compared to net sales of \$209 million a year ago.

The twelve month trailing redemption rate (excluding money market funds) was 9.1% at June 30, 2014, compared to 9.3% at March 31, 2014.

Mutual fund assets under management at June 30, 2014 were \$72.4 billion compared to \$62.5 billion at June 30, 2013.

### **MACKENZIE OPERATIONS**

Mutual fund sales for the second quarter of 2014 were \$1.72 billion, an increase of 18.8% compared to \$1.45 billion in the prior year. Mutual fund net sales for the second quarter were \$115 million compared to net redemptions of \$362 million a year ago.

Mutual fund sales for the six months ended June 30, 2014 were \$4.10 billion, an increase of 21.3% compared to \$3.38 billion in the prior year. Mutual fund net sales were \$469 million compared to net redemptions of \$263 million a year ago.

Total sales for the second quarter of 2014 were \$4.35 billion compared to \$3.42 billion in the prior year. Total net sales for the second quarter were \$1.41 billion compared to total net redemptions of \$171 million a year ago.

Total sales for the six months ended June 30, 2014 were \$8.22 billion compared to \$6.70 billion in the prior year. Total net sales were \$2.20 billion compared to total net sales of \$83 million a year ago.

“Mutual fund assets under management of \$49.1 billion, at June 30, 2014, reached the highest quarter end level in the history of Mackenzie,” said Jeffrey R. Carney, President and Chief Executive Officer of Mackenzie Financial Corporation. “Solid investment performance and demand for global equities, managed solutions and flexible income products have created strong sales momentum.”

Mackenzie’s total assets under management at June 30, 2014 were \$71.1 billion compared to \$63.9 billion at June 30, 2013. Mutual fund assets under management at June 30, 2014 were \$49.1 billion compared to \$42.1 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 October 31, 2014 to shareholders of record on September 30, 2014.

## **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 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 “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 \$142 billion in total assets under management as of July 31, 2014. 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 Second Quarter 2014 will be held on Thursday August 7, 2014 at 2:30 P.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 **1-866-225-0198** or **416-340-2216**.

**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 June 30		Six months ended June 30	
	2014	2013	2014	2013
<b>Revenues</b>				
Management fees	\$ 503,887	\$ 451,956	\$ 989,653	\$ 894,826
Administration fees	99,309	87,859	194,532	173,444
Distribution fees	86,113	79,754	178,524	161,199
Net investment income and other	6,921	26,397	28,923	49,862
Proportionate share of affiliate's earnings	23,995	20,987	43,439	40,320
	<b>720,225</b>	666,953	<b>1,435,071</b>	1,319,651
<b>Expenses</b>				
Commission	245,699	218,999	488,868	437,028
Non-commission	211,162	182,637	406,939	360,535
Interest	22,964	22,963	45,713	45,712
	<b>479,825</b>	424,599	<b>941,520</b>	843,275
Earnings before income taxes	240,400	242,354	493,551	476,376
Income taxes	47,937	49,276	104,427	100,574
<b>Net earnings</b>	192,463	193,078	389,124	375,802
Perpetual preferred share dividends	2,212	2,212	4,425	4,425
<b>Net earnings available to common shareholders</b>	<b>\$ 190,251</b>	\$ 190,866	<b>\$ 384,699</b>	\$ 371,377
Average number of common shares (in thousands)				
- Basic	252,286	251,935	252,327	251,953
- Diluted	253,126	252,451	253,261	252,418
Earnings per share (in dollars)				
- Basic	\$ 0.75	\$ 0.76	\$ 1.52	\$ 1.47
- Diluted	\$ 0.75	\$ 0.76	\$ 1.52	\$ 1.47

**Financial Highlights**

(unaudited)	For the three months ended June 30			As at and for the six months ended June 30		
	2014	2013	Change	2014	2013	Change
<b>Earnings available to common shareholders</b> (\$ millions)						
Operating Earnings <sup>(1)</sup>	\$ 203.9	\$ 190.9	6.8 %	\$ 398.3	\$ 371.4	7.2 %
Net Earnings	190.3	190.9	(0.3)	384.7	371.4	3.6
<b>Diluted earnings per share</b>						
Operating Earnings <sup>(1)</sup>	0.81	0.76	6.6	1.57	1.47	6.8
Net Earnings	0.75	0.76	(1.3)	1.52	1.47	3.4
<b>Return on equity</b>						
Operating Earnings <sup>(1)</sup>				17.3%	17.1%	
Net Earnings				16.7%	17.1%	
<b>Dividends per share</b>	<b>0.5375</b>	0.5375	-	<b>1.075</b>	1.075	-

<b>Total assets under management</b> <sup>(2)</sup> (\$ millions)	<b>\$ 141,434</b>	\$ 124,803	13.3 %
<b>Investors Group</b>			
<b>Mutual funds</b>	<b>72,400</b>	62,452	15.9
<b>Mackenzie</b>			
<i>Mutual funds</i>	49,106	42,098	
<i>Sub-advisory, institutional and other accounts</i>	21,975	21,846	
<b>Total</b>	<b>71,081</b>	63,944	11.2
<b>Counsel</b>			
<b>Mutual funds</b>	<b>3,730</b>	3,053	22.2

Mutual Funds and Institutional Sales (\$ millions)	Investors Group	Mackenzie		Counsel	Total <sup>(3)</sup>
		Mutual Funds	Total		
For the three months ended June 30, 2014					
<b>Gross sales</b>	\$ 1,669	\$ 1,724	\$ 4,353	\$ 181	\$ 5,469
<b>Net sales (redemptions)</b>	(39)	115	1,414	64	1,293
For the six months ended June 30, 2014					
<b>Gross sales</b>	\$ 3,898	\$ 4,098	\$ 8,219	\$ 338	\$ 11,187
<b>Net sales (redemptions)</b>	371	469	2,196	104	2,395

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

2014 operating earnings excluded an after-tax charge of \$13.6 million related to restructuring and other charges.

<sup>(2)</sup> Total assets under management excluded \$5.8 billion of assets sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel (\$4.6 billion at June 30, 2013).

<sup>(3)</sup> Total Gross Sales and Net Sales for the three months ended June 30, 2014 excluded \$734 million and \$146 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 six months ended June 30, 2014 excluded \$1.3 billion and \$276 million respectively in accounts sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel.