



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 INCREASES DIVIDEND

Winnipeg – November 6, 2014: IGM Financial Inc. (IGM or the Company) (TSX:IGM) today announced earnings results for the third quarter of 2014.

Operating earnings and net earnings available to common shareholders for the three months ended September 30, 2014 were \$219.7 million or 87 cents per share compared to net earnings available to common shareholders of \$193.4 million or 77 cents per share for the comparative period in 2013. The Company reported record high levels of operating earnings and operating earnings per share in the third quarter of 2014.

Operating earnings available to common shareholders, excluding other items,¹ for the nine months ended September 30, 2014 were \$618.0 million or \$2.44 per share compared to operating earnings available to common shareholders of \$564.8 million or \$2.24 per share for the comparative period in 2013.

Net earnings available to common shareholders for the nine months ended September 30, 2014 were \$604.4 million or \$2.39 per share compared to net earnings available to common shareholders of \$564.8 million or \$2.24 per share for the comparative period in 2013.

Revenues for the three months ended September 30, 2014 were \$750.2 million compared to \$667.5 million for the comparative period in 2013. Revenues for the nine months ended September 30, 2014 were \$2.19 billion compared to \$1.99 billion a year ago. Expenses were \$463.8 million for the third quarter of 2014 compared to \$416.0 million a year ago and \$1.41 billion for the nine month period compared to \$1.26 billion in 2013.

Total assets under management at September 30, 2014 were \$140.6 billion compared to \$126.0 billion at September 30, 2013. Mutual fund assets under management at September 30, 2014 were \$125.2 billion compared to \$111.2 billion at September 30, 2013.

Shareholders' equity at September 30, 2014 was \$4.9 billion, compared to \$4.6 billion at September 30, 2013. Return on average common equity based on operating earnings for the nine months ended September 30, 2014 was 17.7% compared to 17.2% for the comparative period in 2013.

INVESTORS GROUP OPERATIONS

“Our Consultant Network reached an all time high of 5,011 at September 30, 2014, an increase of 338 from the end of 2013,” said Murray J. Taylor, President and Chief Executive Officer of Investors Group Inc. “Mutual fund gross sales were up 19% over the same period last year and were the highest level of third quarter sales in the history of the company.”

¹ Other items for the nine months ended September 30, 2014 consisted of an after-tax charge of \$13.6 million related to restructuring and other charges.

Mutual fund sales for the third quarter of 2014 were \$1.72 billion, an increase of 19.3% compared to \$1.44 billion in the prior year, and mutual fund net sales for the third quarter were \$86 million compared to net redemptions of \$109 million a year ago.

Mutual fund sales for the nine months ended September 30, 2014 were \$5.62 billion, an increase of 13.0% compared to \$4.97 billion in the prior year, and mutual fund net sales were \$457 million compared to net sales of \$100 million a year ago.

The twelve month trailing redemption rate (excluding money market funds) was 8.9% at September 30, 2014, compared to 9.7% at September 30, 2013.

Mutual fund assets under management at September 30, 2014 were \$72.7 billion compared to \$64.4 billion at September 30, 2013.

MACKENZIE OPERATIONS

Mutual fund sales for the third quarter of 2014 were \$1.42 billion, an increase of 8.9% compared to \$1.30 billion in the prior year. Mutual fund net redemptions for the third quarter were \$207 million compared to net redemptions of \$232 million a year ago.

Mutual fund sales for the nine months ended September 30, 2014 were \$5.51 billion, an increase of 17.8% compared to \$4.68 billion in the prior year. Mutual fund net sales were \$262 million compared to net redemptions of \$495 million a year ago.

Total net redemptions for the third quarter of 2014 were \$1.10 billion compared to total net redemptions of \$2.73 billion a year ago.² Total net sales for the nine months ended September 30, 2014 were \$1.10 billion compared to total net redemptions of \$2.65 billion a year ago.²

“Third quarter mutual fund gross sales were at their highest level since 2008, up 9% from the same period last year,” said Jeffrey R. Carney, President and Chief Executive Officer of Mackenzie Financial Corporation. “Risk-adjusted investment performance remains strong, with 80% of our mutual funds and 87% of our mutual fund assets enjoying a Morningstar³ rating of three, four or five stars at quarter end.”

Mackenzie’s total assets under management at September 30, 2014 were \$70.0 billion compared to \$63.3 billion at September 30, 2013. Mutual fund assets under management at September 30, 2014 were \$48.8 billion compared to \$43.6 billion a year ago.

² During 2014, there were tactical rebalances by an institutional client that resulted in:

- Net redemptions of \$905 million out of separately managed account investment mandates advised on by Mackenzie for the current quarter.
- Net sales of \$35 million into separately managed account investment mandates advised on by Mackenzie for the nine month period.

During 2013:

- For the third quarter, Waddell & Reed Financial Inc. internalized a fund previously sub-advised by Mackenzie resulting in a redemption of \$2.4 billion in the three month period.
- For the nine month period, there was a similar tactical rebalance by the same institutional client described above in addition to the Waddell & Reed Financial Inc. transaction that resulted in net redemptions of \$2.1 billion out of separately managed account investment mandates advised on by Mackenzie.

³ Morningstar and the Morningstar Ratings are trademarks of Morningstar Inc.

DIVIDENDS

The Board of Directors has declared an increase of 2.50 cents per share in the quarterly dividend from 53.75 cents to 56.25 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 is payable on January 30, 2015 to shareholders of record on December 31, 2014 and the preferred share dividend is payable on February 2, 2015 to shareholders of record on December 31, 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.

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 unaudited Interim Condensed 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.

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 \$140 billion in total assets under management as of October 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 Third Quarter 2014 will be held on Friday November 7, 2014 at 10:00 A.M. (ET) at 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 September 30		Nine months ended September 30	
	2014	2013	2014	2013
Revenues				
Management fees	\$ 517,063	\$ 462,196	\$ 1,506,716	\$ 1,357,022
Administration fees	101,997	90,370	296,529	263,814
Distribution fees	84,968	76,211	263,492	237,410
Net investment income and other	21,257	15,373	50,180	65,235
Proportionate share of affiliate's earnings	24,877	23,316	68,316	63,636
	750,162	667,466	2,185,233	1,987,117
Expenses				
Commission	249,833	219,711	738,701	656,739
Non-commission	190,802	173,071	597,741	533,606
Interest	23,200	23,199	68,913	68,911
	463,835	415,981	1,405,355	1,259,256
Earnings before income taxes	286,327	251,485	779,878	727,861
Income taxes	64,456	55,878	168,883	156,452
Net earnings	221,871	195,607	610,995	571,409
Perpetual preferred share dividends	2,213	2,213	6,638	6,638
Net earnings available to common shareholders	\$ 219,658	\$ 193,394	\$ 604,357	\$ 564,771
Average number of common shares (in thousands)				
- Basic	252,089	252,021	252,247	251,976
- Diluted	252,788	252,604	253,079	252,451
Earnings per share (in dollars)				
- Basic	\$ 0.87	\$ 0.77	\$ 2.40	\$ 2.24
- Diluted	\$ 0.87	\$ 0.77	\$ 2.39	\$ 2.24

Financial Highlights

<i>(unaudited)</i>	For the three months ended September 30			As at and for the nine months ended September 30		
	2014	2013	Change	2014	2013	Change
Earnings available to						
common shareholders <i>(\$ millions)</i>						
Operating Earnings ⁽¹⁾	\$ 219.7	\$ 193.4	13.6 %	\$ 618.0	\$ 564.8	9.4 %
Net Earnings	219.7	193.4	13.6	604.4	564.8	7.0
Diluted earnings per share						
Operating Earnings ⁽¹⁾	0.87	0.77	13.0	2.44	2.24	8.9
Net Earnings	0.87	0.77	13.0	2.39	2.24	6.7
Return on equity						
Operating Earnings ⁽¹⁾				17.7%	17.2%	
Net Earnings				17.4%	17.2%	
Dividends per share	0.5375	0.5375	-	1.6125	1.6125	-
Total assets under management ⁽²⁾ <i>(\$ millions)</i>				\$ 140,617	\$ 126,007	11.6 %
Investors Group						
Mutual funds				72,686	64,433	12.8
Mackenzie						
<i>Mutual funds</i>				48,774	43,594	
<i>Sub-advisory, institutional and other accounts</i>				21,180	19,677	
Total				69,954	63,271	10.6
Counsel						
Mutual funds				3,769	3,162	19.2
Mutual Funds and Institutional Sales <i>(\$ millions)</i>						
		Investors Group	Mackenzie	Counsel	Total ⁽³⁾	
			Mutual Funds			
			Total			
For the three months ended September 30, 2014						
Gross sales	\$ 1,723	\$ 1,417	\$ 2,428	\$ 162	\$ 3,862	
Net sales (redemptions)	86	(207)	(1,101)	53	(986)	
For the nine months ended September 30, 2014						
Gross sales	\$ 5,621	\$ 5,515	\$ 10,647	\$ 500	\$ 15,049	
Net sales (redemptions)	457	262	1,095	157	1,409	

⁽¹⁾ Non-IFRS Financial Measures:

2014 operating earnings excluded an after-tax charge of \$13.6 million, recorded in the second quarter, related to restructuring and other charges.

⁽²⁾ Total assets under management excluded \$5.8 billion of assets sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel (\$4.9 billion at September 30, 2013).

⁽³⁾ Total Gross Sales and Net Sales for the three months ended September 30, 2014 excluded \$451 million and \$24 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, 2014 excluded \$1.7 billion and \$300 million respectively in accounts sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel.