



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 FOURTH QUARTER AND 2014 EARNINGS

Winnipeg – February 13, 2015: IGM Financial Inc. (IGM or the Company) (TSX:IGM) today announced earnings results for the fourth quarter and for the year ended December 31, 2014.

Operating earnings available to common shareholders, excluding other items,¹ for the three months ended December 31, 2014 were \$208.1 million or 83 cents per share compared to operating earnings available to common shareholders, excluding other items,² of \$198.7 million or 79 cents per share for the comparative period in 2013.

Net earnings available to common shareholders for the three months ended December 31, 2014 were \$148.9 million or 59 cents per share compared to net earnings available to common shareholders of \$197.1 million or 78 cents per share for the comparative period in 2013.

Operating earnings available to common shareholders, excluding other items,¹ for the year ended December 31, 2014 were \$826.1 million or \$3.27 per share compared to operating earnings available to common shareholders, excluding other items,² of \$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 net earnings available to common shareholders of \$761.9 million or \$3.02 per share in 2013.

Revenues for the three months ended December 31, 2014 were \$742.1 million compared to \$702.9 million a year ago. Revenues for the year ended December 31, 2014 were \$2.93 billion compared to \$2.69 billion a year ago. Expenses were \$557.0 million for the fourth quarter of 2014 compared to \$449.4 million a year ago and \$1.96 billion for the year ended December 31, 2014 compared to \$1.71 billion in 2013.

¹ Other items for the three and twelve months ended December 31, 2014 consisted of an after-tax charge of \$59.2 million related to distributions to clients, as well as other costs. In the third quarter of 2012, Investors Group introduced investment solutions for clients with household investments in Investors Group funds in excess of \$500,000. This after-tax charge primarily reflects distributions to clients who did not transfer to these lower-priced solutions when eligible.

Other items for the year ended December 31, 2014 also included an after-tax charge of \$13.6 million related to restructuring and other charges.

² Other items for the three and twelve months ended December 31, 2013 of \$1.6 million consisted of a net charge of:

- An after-tax charge of \$10.6 million related to restructuring and other charges.
- An after-tax benefit of \$9.0 million representing the Company's proportionate share of net changes in Great-West Lifeco Inc.'s litigation provision.



Total assets under management at December 31, 2014 were \$141.9 billion, the highest quarter 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 quarter end level in the history of the Company, compared to \$117.6 billion at December 31, 2013.

Shareholders' equity at December 31, 2014 was \$4.8 billion, compared to \$4.7 billion at December 31, 2013. Return on average common equity based on operating earnings for the year ended December 31, 2014 was 17.8% compared to 17.3% for the comparative period in 2013.

INVESTORS GROUP OPERATIONS

“Our Consultant Network reached an all time high of 5,145 at December 31, 2014, an increase of 472 from the end of 2013,” said Murray J. Taylor, President and Chief Executive Officer of Investors Group Inc. “Mutual fund quarterly gross sales of \$1.84 billion and annual gross sales of \$7.46 billion are the highest levels of fourth quarter sales and annual sales, respectively, in the history of the Company.”

As part of its commitment to competitive pricing for clients, Investors Group introduced a number of mutual fund pricing changes in the third quarter of 2012. At that time, it also introduced a differential pricing series available for clients of households with more than \$500,000 of invested assets in Investors Group funds. At December 31, 2014, a majority of eligible clients had transferred to the new series. In order to ensure that all eligible clients benefitted fully from the lower pricing of the new series, Investors Group will provide distributions to clients during their period of eligibility, up to April 30, 2015. These distributions will be made in the last half of 2015.

Mutual fund sales for the fourth quarter of 2014 were \$1.84 billion, an increase of 8.6% compared to \$1.69 billion in the prior year, and mutual fund net sales for the fourth quarter were \$194 million compared to net sales of \$59 million a year ago.

Mutual fund sales for the year ended December 31, 2014 were \$7.46 billion, an increase of 11.9% compared to \$6.67 billion in the prior year, and mutual fund net sales were \$651 million compared to net sales of \$159 million a year ago.

The twelve month trailing redemption rate (excluding money market funds) was 8.7% at December 31, 2014, compared to 9.4% at December 31, 2013.

Mutual fund assets under management at December 31, 2014 were \$73.5 billion compared to \$68.3 billion at December 31, 2013.

MACKENZIE OPERATIONS

Mutual fund sales for the fourth quarter of 2014 were \$1.56 billion, a decrease of 23.0% compared to \$2.02 billion in the prior year. Mutual fund net redemptions for the fourth quarter were \$471 million compared to net sales of \$8 million a year ago.

Mutual fund sales for the year ended December 31, 2014 were \$7.07 billion, an increase of 5.5% compared to \$6.70 billion in the prior year. Mutual fund net redemptions were \$209 million compared to net redemptions of \$487 million a year ago.



Total net sales for the fourth quarter of 2014 were \$148 million compared to total net redemptions of \$912 million a year ago.³ Total net sales for the year ended December 31, 2014 were \$1.24 billion compared to total net redemptions of \$3.57 billion a year ago.³

“During 2014, we had our best long-term mutual fund gross sales result since 2006,” said Jeffrey R. Carney, President and Chief Executive Officer of Mackenzie Financial Corporation. “Risk-adjusted investment performance remains strong, with 74% of our mutual funds and 71% of our mutual fund assets enjoying a Morningstar⁴ rating of three, four or five stars at quarter end.”

Mackenzie’s total assets under management at December 31, 2014 were \$70.9 billion compared to \$65.3 billion at December 31, 2013. Mutual fund assets under management at December 31, 2014 were \$48.8 billion compared to \$46.0 billion a year ago.

DIVIDENDS

The Board of Directors has declared a dividend of 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 and the preferred share dividend are payable on April 30, 2015 to shareholders of record on March 31, 2015.

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”.

³ 2014:

- In the fourth quarter, a third party investment program which includes Mackenzie mutual funds made fund allocation changes resulting in net redemptions of \$222 million. In addition, there were tactical rebalances by an institutional client that resulted in net sales of \$354 million into separately managed account investment mandates advised on by Mackenzie.
- Also included in the twelve month period are tactical rebalances by an institutional client that resulted in net sales of \$35 million into separately managed account investment mandates advised on by Mackenzie.

2013:

- In the fourth quarter, there was a mutual fund tactical rebalance by an institutional client that resulted in net sales of \$158 million. In addition, an institutional client internalized \$730 million in money market mandates advised on by Mackenzie.
- Also included in the twelve month period, Waddell & Reed Financial, Inc. internalized a \$2.4 billion mandate previously sub-advised by Mackenzie. In addition, there was a rebalance transaction from an institutional client that resulted in net sales of \$260 million into separately managed investment mandates advised on by Mackenzie.

⁴ Morningstar and the Morningstar Ratings are trademarks of Morningstar Inc.

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.



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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.

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 \$145 billion in total assets under management as of January 31, 2015. 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 Fourth Quarter 2014 will be held on Friday February 13, 2015 at 2:30 P.M. (ET) at www.igmfinancial.com. Media and interested parties may alternatively choose to listen to the live analyst teleconference call by dialing **1-800-355-4959** 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 December 31		Twelve months ended December 31	
	2014	2013	2014	2013
Revenues				
Management fees	\$ 507,370	\$ 475,584	\$ 2,014,086	\$ 1,832,606
Administration fees	100,706	93,721	397,235	357,535
Distribution fees	87,765	85,635	351,257	323,045
Net investment income and other	18,068	17,774	68,248	83,009
Proportionate share of affiliate's earnings	28,142	30,191	96,458	93,827
	742,051	702,905	2,927,284	2,690,022
Expenses				
Commission	253,972	229,384	992,673	886,123
Non-commission	279,755	196,763	877,496	730,369
Interest	23,239	23,239	92,152	92,150
	556,966	449,386	1,962,321	1,708,642
Earnings before income taxes	185,085	253,519	964,963	981,380
Income taxes	33,979	54,174	202,862	210,626
Net earnings	151,106	199,345	762,101	770,754
Perpetual preferred share dividends	2,212	2,212	8,850	8,850
Net earnings available to common shareholders	\$ 148,894	\$ 197,133	\$ 753,251	\$ 761,904
Average number of common shares (in thousands)				
- Basic	251,698	252,123	252,108	252,013
- Diluted	251,996	253,005	252,778	252,474
Earnings per share (in dollars)				
- Basic	\$ 0.59	\$ 0.78	\$ 2.99	\$ 3.02
- Diluted	\$ 0.59	\$ 0.78	\$ 2.98	\$ 3.02

Financial Highlights

(unaudited)	For the three months ended December 31			As at and for the twelve months ended December 31		
	2014	2013	Change	2014	2013	Change
Earnings available to						
common shareholders (\$ millions)						
Operating Earnings ⁽¹⁾	\$ 208.1	\$ 198.7	4.7 %	\$ 826.1	\$ 763.5	8.2 %
Net Earnings	148.9	197.1	(24.5)	753.3	761.9	(1.1)
Diluted earnings per share						
Operating Earnings ⁽¹⁾	0.83	0.79	5.1	3.27	3.02	8.3
Net Earnings	0.59	0.78	(24.4)	2.98	3.02	(1.3)
Return on equity						
Operating Earnings ⁽¹⁾				17.8%	17.3%	
Net Earnings				16.2%	17.3%	
Dividends per share	0.5625	0.5375	4.7	2.175	2.150	1.2
Total assets under management ⁽²⁾ (\$ millions)				\$ 141,919	\$ 131,777	7.7 %
Investors Group						
Mutual funds				73,459	68,255	7.6
Mackenzie						
Mutual funds				48,782	46,024	
Sub-advisory, institutional and other accounts				22,094	19,291	
Total				70,876	65,315	8.5
Counsel						
Mutual funds				3,850	3,406	13.0
Mutual Funds and Institutional Sales (\$ millions)						
		Investors Group	Mackenzie	Counsel	Total ⁽³⁾	
For the three months ended December 31, 2014			Mutual Funds			
			Total			
Gross sales	\$ 1,840	\$ 1,555	\$ 3,321	\$ 182	\$ 4,536	
Net sales (redemptions)	194	(471)	148	50	(48)	
For the twelve months ended December 31, 2014						
Gross sales	\$ 7,461	\$ 7,070	\$ 13,968	\$ 682	\$ 19,585	
Net sales (redemptions)	651	(209)	1,243	207	1,360	

⁽¹⁾ Non-IFRS Financial Measures:

2014 operating earnings excluded:

- an after-tax charge of \$59.2 million, recorded in the fourth quarter, related to distributions to clients, as well as other costs. In the third quarter of 2012, Investors Group introduced investment solutions for clients with household investments in Investors Group funds in excess of \$500,000. This after-tax charge primarily reflects distributions to clients who did not transfer to these lower-priced solutions when eligible.
- an after-tax charge of \$13.6 million, recorded in the second quarter, related to restructuring and other charges.

2013 operating earnings excluded:

- An after-tax charge of \$10.6 million related to restructuring and other charges.
- An after-tax benefit of \$9.0 million, recorded in the fourth quarter, representing the Company's proportionate share of net changes in Great-West Lifeco Inc.'s litigation provisions.

⁽²⁾ Total assets under management excluded \$6.3 billion of assets sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel (\$5.2 billion at December 31, 2013).

⁽³⁾ Total Gross Sales and Net Sales for the three months ended December 31, 2014 excluded \$807 million and \$440 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 twelve months ended December 31, 2014 excluded \$2.5 billion and \$741 million, respectively, in accounts sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel.