



## News Release

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

### IGM FINANCIAL INC. REPORTS SECOND QUARTER EARNINGS

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**Winnipeg – August 4, 2016:** IGM Financial Inc. (IGM or the Company) (TSX:IGM) today announced earnings results for the second quarter of 2016.

Net earnings available to common shareholders for the three months ended June 30, 2016 were \$172.9 million or 72 cents per share compared to net earnings available to common shareholders of \$198.5 million or 80 cents per share for the comparative period in 2015.

Net earnings available to common shareholders for the six months ended June 30, 2016 were \$339.9 million or \$1.40 per share compared to net earnings available to common shareholders of \$398.8 million or \$1.59 per share for the comparative period in 2015.

Revenues for the three months ended June 30, 2016 were \$744.3 million compared to \$763.2 million a year ago. Revenues for the six months ended June 30, 2016 were \$1.47 billion compared to \$1.52 billion a year ago. Expenses were \$521.8 million for the second quarter of 2016 compared to \$506.5 million a year ago and \$1.03 billion for the six month period compared to \$1.01 billion a year ago.

Total assets under management at June 30, 2016 were \$134.7 billion compared to \$136.0 billion at June 30, 2015. Mutual fund assets under management at June 30, 2016 were \$128.7 billion compared to \$129.7 billion at June 30, 2015.

Shareholders' equity at June 30, 2016 was \$4.7 billion, compared to \$4.8 billion at June 30, 2015. Return on average common equity for the six months ended June 30, 2016 was 14.7% compared to 17.0% for the comparative period in 2015.

#### **INVESTORS GROUP OPERATIONS**

“Mutual fund assets under management at June 30, 2016 reached \$76.2 billion, largely on the strength of strong investment returns in the quarter,” said Jeffrey R. Carney, President and Chief Executive Officer of Investors Group Inc. and IGM Financial Inc. “The Maestro Portfolio funds, which combine a long-term investment management outlook with dynamic asset allocation strategies, continued to grow in the quarter, reaching \$2.2 billion at June 30, 2016 since their launch one year ago.”

Mutual fund sales for the second quarter of 2016 were \$1.8 billion, a decrease of 6.1% compared to \$1.9 billion in the prior year and mutual fund net redemptions for the second quarter of 2016 were \$168 million compared to net sales of \$27 million a year ago.

Mutual fund sales for the six months ended June 30, 2016 were \$4.0 billion, a decrease of 5.0% compared to \$4.3 billion in the prior year and mutual fund net sales were \$299 million compared to net sales of \$615 million a year ago.



The twelve month trailing redemption rate (excluding money market funds) was 8.8% at June 30, 2016, compared to 8.7% at March 31, 2016.

Mutual fund assets under management at June 30, 2016 were \$76.2 billion compared to \$75.8 billion at June 30, 2015.

### **MACKENZIE OPERATIONS**

Mutual fund sales for the second quarter of 2016 were \$1.5 billion compared to \$1.9 billion in the prior year. Mutual fund net redemptions for the second quarter were \$375 million compared to net redemptions of \$545 million a year ago.<sup>1</sup>

Mutual fund sales for the six months ended June 30, 2016 were \$3.3 billion compared to \$3.8 billion in the prior year. Mutual fund net redemptions were \$573 million compared to net redemptions of \$651 million a year ago.<sup>1</sup>

Total net redemptions for the second quarter of 2016 were \$291 million compared to total net redemptions of \$10.7 billion a year ago. Total net redemptions for the six months ended June 30, 2016 were \$678 million compared to total net redemptions of \$10.1 billion a year ago. Excluding rebalance activities,<sup>1,2</sup> total net sales in 2015 were \$84 million for the second quarter and \$653 million for the six months ending June 30, 2015.

“Mackenzie continued to focus on meeting investor needs through high quality and innovative product solutions with the inaugural launch of six exchange traded funds as well as four new mutual funds during the quarter,” said Jeffrey R. Carney, President and Chief Executive Officer of IGM Financial Inc. “As previously announced, Barry McInerney has now assumed the role of CEO of Mackenzie and I look forward to working with him closely as he leads the company into the future.”

Mackenzie’s total assets under management at June 30, 2016 were \$61.7 billion compared to \$63.0 billion at June 30, 2015. Mutual fund assets under management at June 30, 2016 were \$48.2 billion compared to \$49.9 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 October 31, 2016 to shareholders of record on September 30, 2016.

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<sup>1</sup> During the second quarter of 2015, certain third party programs which include Mackenzie mutual funds made fund allocation changes which resulted in net redemptions of \$456 million.

<sup>2</sup> During the second quarter of 2015, MD Financial Management (“MD”) reassigned sub-advisory responsibilities on four fixed income mandates (totalling \$10.3 billion) advised by Mackenzie. The impact on Mackenzie’s pre-tax earnings from these mandate changes is not meaningful. Following the changes, Mackenzie continues to advise MD on a number of fixed income, balanced and equity mandates.

## **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).*

**ADDITIONAL IFRS MEASURES**

*This release contains additional IFRS measures. 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 \$138 billion in total assets under management as of July 31, 2016. 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 2016 will be held on Thursday August 4, 2016 at 2:00 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 **1-866-223-7781** 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	
	2016	2015	2016	2015
<b>Revenues</b>				
Management fees	\$ 497,386	\$ 517,279	\$ 981,222	\$ 1,026,390
Administration fees	104,328	105,995	204,678	208,231
Distribution fees	96,342	95,286	191,310	189,819
Net investment income and other	22,409	15,161	38,286	44,242
Proportionate share of affiliate's earnings	23,876	29,508	51,684	55,410
	<b>744,341</b>	<b>763,229</b>	<b>1,467,180</b>	<b>1,524,092</b>
<b>Expenses</b>				
Commission	267,128	267,687	528,643	534,554
Non-commission	231,740	215,853	459,607	429,475
Interest	22,913	22,964	45,826	45,714
	<b>521,781</b>	<b>506,504</b>	<b>1,034,076</b>	<b>1,009,743</b>
Earnings before income taxes	222,560	256,725	433,104	514,349
Income taxes	47,457	56,051	88,825	111,116
<b>Net earnings</b>	<b>175,103</b>	<b>200,674</b>	<b>344,279</b>	<b>403,233</b>
Perpetual preferred share dividends	2,212	2,212	4,425	4,425
<b>Net earnings available to common shareholders</b>	<b>\$ 172,891</b>	<b>\$ 198,462</b>	<b>\$ 339,854</b>	<b>\$ 398,808</b>
Average number of common shares (in thousands)				
- Basic	241,071	248,957	242,100	250,076
- Diluted	241,221	249,128	242,197	250,266
Earnings per share (in dollars)				
- Basic	\$ 0.72	\$ 0.80	\$ 1.40	\$ 1.59
- Diluted	\$ 0.72	\$ 0.80	\$ 1.40	\$ 1.59

**IGM FINANCIAL INC.**
**Financial Highlights**

<i>(unaudited)</i>	For the three months ended June 30			As at and for the six months ended June 30		
	2016	2015	Change	2016	2015	Change
<b>Net earnings available to common shareholders</b> (\$ millions)	\$ 172.9	\$ 198.5	(12.9) %	\$ 339.9	\$ 398.8	(14.8) %
<b>Diluted earnings per share</b>	0.72	0.80	(10.0)	1.40	1.59	(11.9)
<b>Return on equity</b>				14.7%	17.0%	
<b>Dividends per share</b>	0.5625	0.5625	-	1.125	1.125	-

<b>Total assets under management</b> <sup>(1)</sup> (\$ millions)	\$ 134,681	\$ 135,971	(0.9) %
<b>Investors Group</b>			
<b>Mutual funds</b>	76,203	75,844	0.5
<b>Mackenzie</b>			
<i>Mutual funds</i>	48,210	49,853	
<i>Sub-advisory, institutional and other accounts</i>	13,457	13,172	
<b>Total</b>	61,667	63,025	(2.2)
<b>Counsel</b>			
<b>Mutual funds</b>	4,316	4,053	6.5

<b>Mutual Funds and Institutional Sales</b> (\$ millions)	Investors Group	Mackenzie		Counsel	Total <sup>(2)</sup>
		Mutual Funds	Total		
For the three months ended June 30, 2016					
<b>Gross sales</b>	\$ 1,778	\$ 1,494	\$ 3,013	\$ 213	\$ 4,519
<b>Net sales (redemptions)</b>	(168)	(375)	(291)	31	(501)
For the six months ended June 30, 2016					
<b>Gross sales</b>	\$ 4,045	\$ 3,335	\$ 5,696	\$ 475	\$ 9,191
<b>Net sales (redemptions)</b>	299	(573)	(678)	110	(435)

<sup>(1)</sup> Total assets under management excluded \$7.5 billion of assets sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel (\$6.9 billion at June 30, 2015).

<sup>(2)</sup> Total Gross Sales and Net Sales for the three months ended June 30, 2016 excluded \$485 million and \$73 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, 2016 excluded \$1.0 billion and \$166 million, respectively, in accounts sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel.