



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 2016 EARNINGS

Winnipeg – February 10, 2017: IGM Financial Inc. (IGM or the Company) (TSX:IGM) today announced earnings results for the fourth quarter of 2016 and for the year ended December 31, 2016.

Net earnings available to common shareholders for the three months ended December 31, 2016 were \$233.0 million or 97 cents per share compared to net earnings available to common shareholders of \$173.9 million or 71 cents per share for the comparative period in 2015.

Operating earnings available to common shareholders, excluding other items,¹ for the three months ended December 31, 2016 were \$199.0 million or 83 cents per share compared to operating earnings available to common shareholders, excluding other items,² of \$198.2 million or 81 cents per share in 2015.

Net earnings available to common shareholders for the year ended December 31, 2016 were \$770.5 million or \$3.19 per share compared to net earnings available to common shareholders of \$771.7 million or \$3.11 per share for the comparative period in 2015.

Operating earnings available to common shareholders, excluding other items,¹ for the year ended December 31, 2016 were \$736.5 million or \$3.05 per share compared to operating earnings available to common shareholders, excluding other items,² of \$796.0 million or \$3.21 per share in 2015.

Revenues for the three months ended December 31, 2016 were \$801.2 million compared to \$752.1 million a year ago. Revenues for the year ended December 31, 2016 were \$3.04 billion compared to \$3.03 billion a year ago. Expenses were \$542.5 million for the fourth quarter of 2016 compared to \$532.6 million a year ago and \$2.10 billion for the year ended December 31, 2016 compared to \$2.04 billion a year ago.

¹ Other items for the three and twelve months ended December 31, 2016 consisted of a favourable change in income tax provision estimates of \$34.0 million related to certain tax filings.

² Other items for the three and twelve months ended December 31, 2015 consisted of an after-tax charge of \$24.3 million for restructuring and other charges, which primarily reflects severance and payments to third parties related to exiting certain investment management activities and third party back office relationships. The largest components of these activities relate to:

- Mackenzie - closing the investment management office in Singapore as well as implementing other personnel changes in order to redeploy resources towards other corporate priorities, which management believes will provide greater benefits to Mackenzie over time.
- Investors Group - introducing a new in-house dealer platform for nominee accounts and exiting its current relationship with its third party carrying broker. This new platform was introduced in 2016 and enhances the service experience to Consultants and clients and is expected to achieve efficiencies over the long-term.



Total assets under management at December 31, 2016 were \$141.8 billion compared to \$133.6 billion at December 31, 2015. Mutual fund assets under management at December 31, 2016 were \$137.1 billion compared to \$127.5 billion at December 31, 2015.

Shareholders' equity at December 31, 2016 was \$4.7 billion, unchanged from December 31, 2015. Return on average common equity based on operating earnings for the year ended December 31, 2016 was 16.3% compared to 17.4% in 2015.

IGM FINANCIAL INC.

On December 29, 2016 and January 5, 2017, IGM Financial Inc. entered into agreements to acquire a total 13.9% interest in China Asset Management Co., Ltd., one of China's first and largest fund companies. During the year, IGM Financial Inc. has also made investments in Portag3 Ventures, a new fund focused on the financial technology sector, WealthSimple Financial Corporation (WealthSimple), a technology-driven investment manager, and Personal Capital Corporation (Personal Capital), a market-leading digital wealth advisor based in the U.S.

"The investment in China Asset Management Co., Ltd. gives IGM Financial the opportunity to participate in a rapidly-growing asset management industry, and diversify our business outside of Canada in the world's second largest economy," said Jeffrey R. Carney, President and Chief Executive Officer of IGM Financial Inc. "The investments in Personal Capital, WealthSimple, and Portag3 Ventures represent a growing opportunity to participate in financial technology solutions, and is consistent with the financial planning values of the IGM Financial group of companies."

INVESTORS GROUP OPERATIONS

"Mutual fund quarterly gross sales of \$2.1 billion is the highest level of fourth quarter sales in the history of the company, up 15% from the same period last year," said Jeffrey R. Carney, President and Chief Executive Officer of Investors Group Inc. and IGM Financial Inc. "On the strength of these sales and strong investment returns in the quarter, mutual fund assets under management reached an all time quarter end high of \$81.2 billion at December 31, 2016."

Mutual fund sales for the fourth quarter of 2016 were \$2.1 billion, an increase of 14.7% compared to \$1.8 billion in the prior year and mutual fund net sales for the fourth quarter of 2016 were \$261 million compared to zero net sales a year ago.

Mutual fund sales for the year ended December 31, 2016 were \$7.8 billion, a decrease of 1.6% compared to \$7.9 billion in the prior year and mutual fund net sales were \$366 million compared to net sales of \$754 million a year ago.

The twelve month trailing redemption rate (excluding money market funds) was 8.8% at December 31, 2016, compared to 8.7% at December 31, 2015.

Mutual fund assets under management at December 31, 2016 were \$81.2 billion compared to \$74.9 billion at December 31, 2015.

MACKENZIE OPERATIONS

Mutual fund sales for the fourth quarter of 2016 were \$2.0 billion compared to \$1.7 billion in the prior year. Mutual fund net redemptions for the fourth quarter were \$24 million compared to net redemptions of \$427 million a year ago.³

Mutual fund sales for the year ended December 31, 2016 were \$6.9 billion compared to \$7.0 billion in the prior year. Mutual fund net redemptions were \$667 million compared to net redemptions of \$1.3 billion a year ago.³

Total net redemptions for the fourth quarter of 2016 were \$1.5 billion compared to total net redemptions of \$366 million a year ago. Total net redemptions for the year ended December 31, 2016 were \$2.1 billion compared to total net redemptions of \$10.6 billion a year ago. Excluding rebalance activities,^{3,4} total net redemptions for the fourth quarter of 2016 were \$7 million compared to net redemptions of \$127 million a year ago and total net redemptions for the year ended December 31, 2016 were \$630 million compared to net sales of \$400 million a year ago.

“Strong momentum in gross sales continued, with fourth quarter mutual fund sales reaching \$2.0 billion, up 18% from the same period last year,” said Barry McInerney, President and Chief Executive Officer of Mackenzie Investments. “This sales result, coupled with strong investment returns generated for our clients, led to an all time fourth quarter end high of mutual fund assets under management of \$51.3 billion.”

Mackenzie’s total assets under management at December 31, 2016 were \$64.0 billion compared to \$61.7 billion at December 31, 2015. Mutual fund assets under management at December 31, 2016 were \$51.3 billion compared to \$48.4 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 is payable on April 28, 2017 to shareholders of record on March 31, 2017. The preferred share dividend is payable on May 1, 2017 to shareholders of record on March 31, 2017.

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

³ During 2015, third party programs which include Mackenzie mutual funds made fund allocation changes which resulted in net redemptions of \$239 million for the fourth quarter and net redemptions of \$695 million for the year ended December 31.

⁴ During the fourth quarter of 2016, MD Financial Management (MD) reassigned sub-advisory responsibilities on a \$1.5 billion fixed income mandate advised by Mackenzie.

During the year ended December 31, 2015, 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 balanced and equity mandates.

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 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 \$141 billion in total assets under management as of January 31, 2017. 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 2016 will be held on Friday February 10, 2017 at 3:00 P.M. (ET) at www.igmfinancial.com. Media and interested parties may alternatively choose to listen to the live analyst teleconference call by dialing **1-866-223-7781** 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 December 31 | | Twelve months ended December 31 | |
|----------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------|------------------------------------|-------------------|
| | 2016 | 2015 | 2016 | 2015 |
| Revenues | | | | |
| Management fees | \$ 525,651 | \$ 501,313 | \$ 2,025,181 | \$ 2,036,234 |
| Administration fees | 109,009 | 104,737 | 421,618 | 417,563 |
| Distribution fees | 117,777 | 97,044 | 410,135 | 379,558 |
| Net investment income and other | 22,223 | 19,853 | 83,623 | 83,640 |
| Proportionate share of affiliate's earnings | 26,493 | 29,178 | 104,226 | 110,950 |
| | 801,153 | 752,125 | 3,044,783 | 3,027,945 |
| Expenses | | | | |
| Commission | 288,203 | 264,357 | 1,090,048 | 1,062,069 |
| Non-commission | 231,115 | 245,023 | 915,602 | 882,969 |
| Interest | 23,205 | 23,201 | 92,196 | 92,115 |
| | 542,523 | 532,581 | 2,097,846 | 2,037,153 |
| Earnings before income taxes | 258,630 | 219,544 | 946,937 | 990,792 |
| Income taxes | 23,419 | 43,474 | 167,633 | 210,250 |
| Net earnings | 235,211 | 176,070 | 779,304 | 780,542 |
| Perpetual preferred share dividends | 2,212 | 2,212 | 8,850 | 8,850 |
| Net earnings available to common shareholders | \$ 232,999 | \$ 173,858 | \$ 770,454 | \$ 771,692 |
| Average number of common shares (in thousands) | | | | |
| - Basic | 240,511 | 245,638 | 241,300 | 248,173 |
| - Diluted | 240,634 | 245,739 | 241,402 | 248,299 |
| Earnings per share (in dollars) | | | | |
| - Basic | \$ 0.97 | \$ 0.71 | \$ 3.19 | \$ 3.11 |
| - Diluted | \$ 0.97 | \$ 0.71 | \$ 3.19 | \$ 3.11 |

Financial Highlights

| (unaudited) | For the three months ended December 31 | | | As at and for the twelve months ended December 31 | | |
|--------------------------------------------------------------------|----------------------------------------|----------|--------|---------------------------------------------------|----------|---------|
| | 2016 | 2015 | Change | 2016 | 2015 | Change |
| Net earnings available to common shareholders (\$ millions) | | | | | | |
| Net Earnings | \$ 233.0 | \$ 173.9 | 34.0 % | \$ 770.5 | \$ 771.7 | (0.2) % |
| Operating Earnings ⁽¹⁾ | 199.0 | 198.2 | 0.4 | 736.5 | 796.0 | (7.5) |
| Diluted earnings per share | | | | | | |
| Net Earnings | 0.97 | 0.71 | 36.6 | 3.19 | 3.11 | 2.6 |
| Operating Earnings ⁽¹⁾ | 0.83 | 0.81 | 2.5 | 3.05 | 3.21 | (5.0) |
| Return on equity | | | | | | |
| Net Earnings | | | | 17.1% | 16.9% | |
| Operating Earnings ⁽¹⁾ | | | | 16.3% | 17.4% | |
| Dividends per share | 0.5625 | 0.5625 | - | 2.25 | 2.25 | - |

| | | | |
|-------------------------------------------------------------------|-------------------|------------|-------|
| Total assets under management ⁽²⁾ (\$ millions) | \$ 141,829 | \$ 133,648 | 6.1 % |
| Investors Group | | | |
| Mutual funds | 81,240 | 74,897 | 8.5 |
| Mackenzie | | | |
| <i>Mutual funds</i> | 51,314 | 48,445 | |
| <i>Sub-advisory, institutional and other accounts</i> | 12,721 | 13,208 | |
| Total | 64,035 | 61,653 | 3.9 |
| Counsel | | | |
| Mutual funds | 4,501 | 4,178 | 7.7 |

| Mutual Funds and Institutional Sales (\$ millions) | Investors Group | Mackenzie | | Counsel | Total ⁽³⁾ |
|----------------------------------------------------|-----------------|--------------|-----------|---------|----------------------|
| | | Mutual Funds | Total | | |
| For the three months ended December 31, 2016 | | | | | |
| Gross sales | \$ 2,089 | \$ 1,953 | \$ 2,871 | \$ 207 | \$ 4,613 |
| Net sales (redemptions) | 261 | (24) | (1,497) | 24 | (1,305) |
| For the twelve months ended December 31, 2016 | | | | | |
| Gross sales | \$ 7,760 | \$ 6,939 | \$ 11,004 | \$ 859 | \$ 17,659 |
| Net sales (redemptions) | 366 | (667) | (2,120) | 169 | (1,846) |

⁽¹⁾ Non-IFRS Financial Measures:

2016 operating earnings excluded:

- A favourable change in income tax provision estimates of \$34.0 million, recorded in the fourth quarter, related to certain tax filings.

2015 operating earnings excluded:

- An after-tax charge of \$24.3 million, recorded in the fourth quarter, related to restructuring and other charges.

⁽²⁾ Total assets under management excluded \$7.9 billion of assets sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel (\$7.1 billion at December 31, 2015).

⁽³⁾ Total Gross Sales and Net Sales for the three months ended December 31, 2016 excluded \$554 million and \$93 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, 2016 excluded \$2.0 billion and \$261 million, respectively, in accounts sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel.