



## IGM FINANCIAL Q1, 2013 Results

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May 3, 2013

STRENGTH | FOCUS | GROWTH

# IGM Financial – Conference Call Participants

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**Charles R. Sims**

President & CEO,  
Mackenzie

Co - President & CEO,  
IGM Financial

**Murray J. Taylor**

President & CEO,  
Investors Group

Co - President & CEO,  
IGM Financial

**Kevin E. Regan**

Executive Vice-President  
& CFO,  
IGM Financial

# Caution Concerning Forward Looking Statements

Certain statements in this report 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

- Net earnings available to common shareholders, which is an additional measure in accordance with 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.
- This report may also contain non-IFRS financial measures. Non-IFRS financial measures are used to provide management and investors with additional measures of performance. However, we caution that non-IFRS financial measures do not have standard meanings prescribed by IFRS and are not directly comparable to similar measures used by other companies. Specific instances of such measures that may be referred to within this document include “Operating Earnings”, “Operating Earnings per Share” and “Earnings before Interest and Taxes” (EBIT).
- We refer you to the appropriate reconciliation in the Management’s Discussion and Analysis of these non-IFRS financial measures to measures prescribed by IFRS.
- “Operating Earnings” and “Operating Earnings Per Share” for the three months ended December 31, 2012 exclude the following:
  - A favourable change in income tax provision estimates of \$24.4 million, recorded in the fourth quarter, related to certain tax filings.
  - An after-tax charge of \$5.6 million, recorded in the fourth quarter, representing the Company’s proportionate share of net changes in Great-West Lifeco Inc.’s litigation provisions.
- On January 1, 2013, the Company adopted the revisions to IAS 19 that amend the measurement, presentation and disclosure requirements for defined benefit plans.
  - The standard has been applied retroactively and the comparative periods have been restated. On a restated basis, 2012 Net Earnings were \$3.0 million (pre-tax \$4.1 million) lower and Q1, 2012 Net Earnings were \$0.7 million (pre-tax \$1.0 million) lower.
  - The key impacts upon the Statement of Earnings include eliminating the concept of an expected return on assets and replacing this with the discount rate.

# Documents Incorporated by Reference

This summary document and webcast are meant to discuss, not to serve as a substitute for, information included in these documents. The reader is hereby cautioned to refer to the following documents relating to IGM Financial's results:

1. Documents related to IGM Financial's Q1, 2013 results issued May 3, 2013:
  - IGM Financial Q1, 2013 financial results press release. This press release includes financial highlights as well as a summary earnings statement.
  - IGM Financial Q1, 2013 Consolidated Financial Statements and Notes.
  - IGM Financial Q1, 2013 Management's Discussion and Analysis ("MD&A").
  - IGM Financial Q1, 2013 Supplemental Information.
2. IGM Financial Management Appointment press release issued May 3, 2013.
3. IGM Financial April, 2013 Assets Under Management press release issued May 2, 2013.
4. IGM Financial 2012 Annual Report which was issued on March 21, 2013.

Each of these documents are available on the Company's website at [www.igmfinancial.com](http://www.igmfinancial.com) and also at [www.sedar.com](http://www.sedar.com).

## 1. Highlights

2. Mackenzie Investments

3. Investors Group

# IGM Financial Highlights – Earnings

- ***IGM Financial's Operating Earnings Per Share were 72 cents during Q1, 2013 relative to 77 cents during Q1, 2012.***

	Q1, 2012	Q4, 2012	Q1, 2013	Change	
				Last Quarter	Last Year
Operating Earnings (millions) <sup>1</sup>	\$ 198.9	\$ 183.2	\$ 180.5	(1.5%)	(9.2%)
Net Earnings (millions)	198.9	202.0	180.5	(10.6%)	(9.2%)
Operating Earnings per share (diluted) <sup>1</sup>	0.77	0.72	0.72	0.0%	(6.5%)
Net Earnings per share (diluted)	0.77	0.80	0.72	(10.0%)	(6.5%)
Dividends per share	0.5375	0.5375	0.5375	0.0%	0.0%

1. Please refer to slide 4 for a discussion of adjustments.

# IGM Financial Highlights – Sales

- *IGM Financial had gross sales of \$5.1 billion and net sales of \$554 million during Q1, 2013.*

## IGM Financial Investment Product Sales Three Months Ended March 31, 2013 (\$ Millions)

	Gross Sales				Net Sales			
	Investors Group	Mackenzie	Counsel	IGM Financial <sup>1</sup>	Investors Group	Mackenzie	Counsel	IGM Financial <sup>1</sup>
Long term mutual funds	1,859	1,797	119	<b>3,767</b>	354	96	7	<b>449</b>
Short term mutual funds	175	130	12	<b>317</b>	22	3	4	<b>29</b>
Total mutual funds	2,034	1,927	131	<b>4,084</b>	376	99	11	<b>478</b>
Institutional		1,351		<b>967</b>		155		<b>76</b>
Total	2,034	3,278	131	<b>5,051</b>	376	254	11	<b>554</b>

1. Total gross sales and total net sales exclude sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel. These mandates had gross sales of \$392 million and net sales of \$87 million during Q1, 2013.



# IGM Financial Highlights – Assets Under Management

- IGM Financial's total assets under management increased by 4.2% during Q1, 2013 relative to Q4, 2012.

(\$ Billions)	Quarter					Q1, 2013 Change	
	Mar 31, 2012	Jun 30, 2012	Sep 30, 2012	Dec 31, 2012	Mar 31, 2013	Last Quarter	Last Year
<b>Ending Assets Under Management (as at end of period)</b>							
<b>IGM Financial</b>	<b>124.1</b>	<b>118.0</b>	<b>119.3</b>	<b>120.7</b>	<b>125.8</b>	<b>4.2%</b>	<b>1.3%</b>
Investors Group	60.6	58.1	59.6	60.6	63.0	4.0%	3.9%
Mackenzie <sup>1</sup>	64.4	60.7	61.0	61.5	64.3	4.5%	(0.2%)
Counsel	3.0	2.8	2.9	2.9	3.1	4.4%	4.2%
<b>Average Assets Under Management (for the period ended)</b>							
<b>IGM Financial</b>	<b>122.8</b>	<b>119.2</b>	<b>118.2</b>	<b>119.3</b>	<b>124.0</b>	<b>3.9%</b>	<b>1.0%</b>
Investors Group	59.8	58.5	58.7	59.8	62.2	4.0%	4.0%
Mackenzie <sup>1</sup>	63.8	61.6	60.4	60.9	63.3	3.9%	(0.9%)
Counsel	2.9	2.9	2.9	2.9	3.0	3.9%	3.8%

1. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel. These mandates had assets under management of \$4.5 billion at March 31, 2013.

# Operating Environment – Industry Sales Mix

- *The industry experienced an increase in net sales during Q1, 2013 relative to Q1, 2012, the majority of the increase was through the advice channel.*

## Industry Mutual Fund Net Sales by Primary Distribution Emphasis Three months ended March 31 (\$ Billions)

	Long Term Funds			Total Funds		
	2012	2013	Change	2012	2013	Change
<b>Gross Sales</b>						
Advice	15.0	19.8	31.8%	15.8	20.8	32.0%
Deposit takers	26.7	29.7	11.5%	31.7	34.3	8.1%
Direct & other	1.7	1.5	(16.9%)	1.9	1.6	(13.8%)
<b>Total</b>	<b>43.4</b>	<b>51.0</b>	<b>17.4%</b>	<b>49.4</b>	<b>56.8</b>	<b>14.9%</b>
<b>Net Sales</b>						
Advice	(0.1)	4.8		<b>(0.2)</b>	<b>5.0</b>	
Deposit takers	12.5	13.5		11.2	12.6	
Direct & other	0.5	0.4		0.5	0.5	
<b>Total</b>	<b>12.9</b>	<b>18.8</b>		<b>11.5</b>	<b>18.0</b>	

Source: Investor Economics data and excludes exchange traded funds.

“Advice” reflects the aggregation of “Independents” and “Life Insurers” as presented by Investor Economics.

“Direct & other” reflects “Others” as presented by Investor Economics and includes direct sellers, unions & associations and others.

“Net Sales” reflects gross sales less redemptions and is presented by Investor Economics as “Net New Money”.

# Operating Environment – Industry Sales Mix

- ◆ *The industry experienced a significant improvement in equity fund net sales during the first quarter of 2013.*

## Industry Mutual Fund Net Sales (\$ Billions)

	Q1, 2011	Q2, 2011	Q3, 2011	Q4, 2011	Q1, 2012	Q2, 2012	Q3, 2012	Q4, 2012	Q1, 2013
Income-oriented	6.5	3.3	0.5	4.6	12.5	4.2	5.1	6.9	12.6
Balanced	5.1	2.9	(0.1)	0.0	2.4	0.3	1.4	1.1	3.4
Canadian equity	(0.5)	(0.6)	(0.8)	(1.4)	<b>(2.0)</b>	(1.1)	(1.9)	(1.1)	<b>(0.8)</b>
Foreign equity	2.4	(0.1)	0.2	(1.6)	<b>(0.3)</b>	1.1	(0.4)	(0.7)	<b>2.9</b>
Sector / other	0.9	0.3	0.0	0.1	0.3	0.2	0.4	0.2	0.6
Long term	14.4	5.8	(0.1)	1.7	12.9	4.8	4.6	6.4	18.8
Money market	(1.5)	(1.0)	(1.1)	(1.2)	(1.4)	(0.9)	(1.0)	(1.0)	(0.7)
Total	12.9	4.8	(1.2)	0.5	11.5	3.9	3.5	5.4	18.0

Source: Investor Economics data and excludes exchange traded funds.

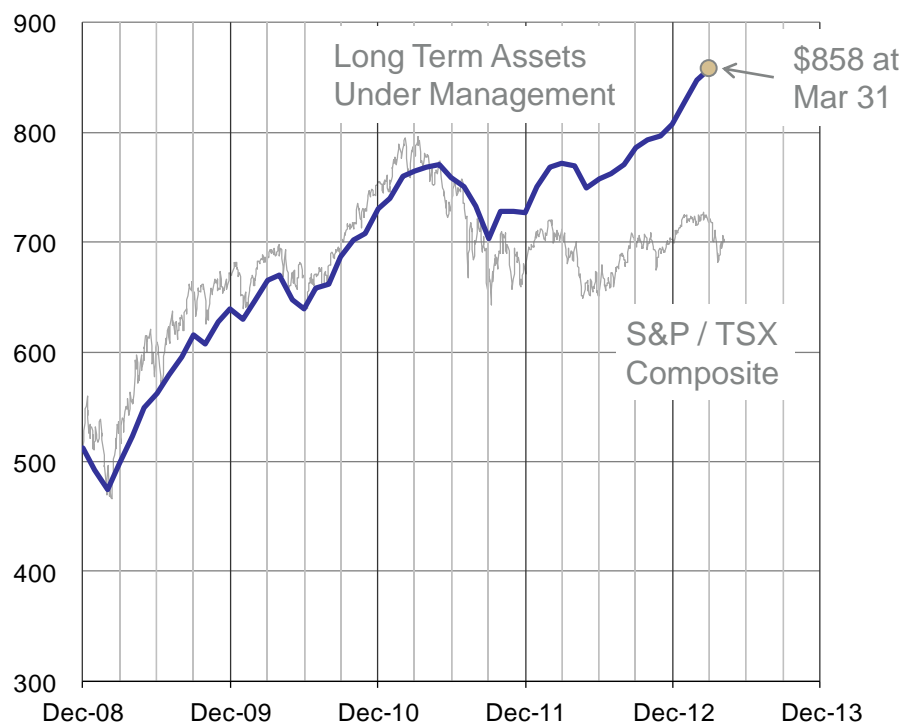
“Net Sales” reflects gross sales less redemptions and is presented by Investor Economics as “Net New Money”.

*Operating Environment*

# Operating Environment – Financial Markets

- During Q1, 2013, industry long term mutual fund assets increased by 6.2% primarily as a result of increases in global equity markets.

## Canadian Mutual Fund Industry Long Term Mutual Fund Assets Under Management (\$ Billions)



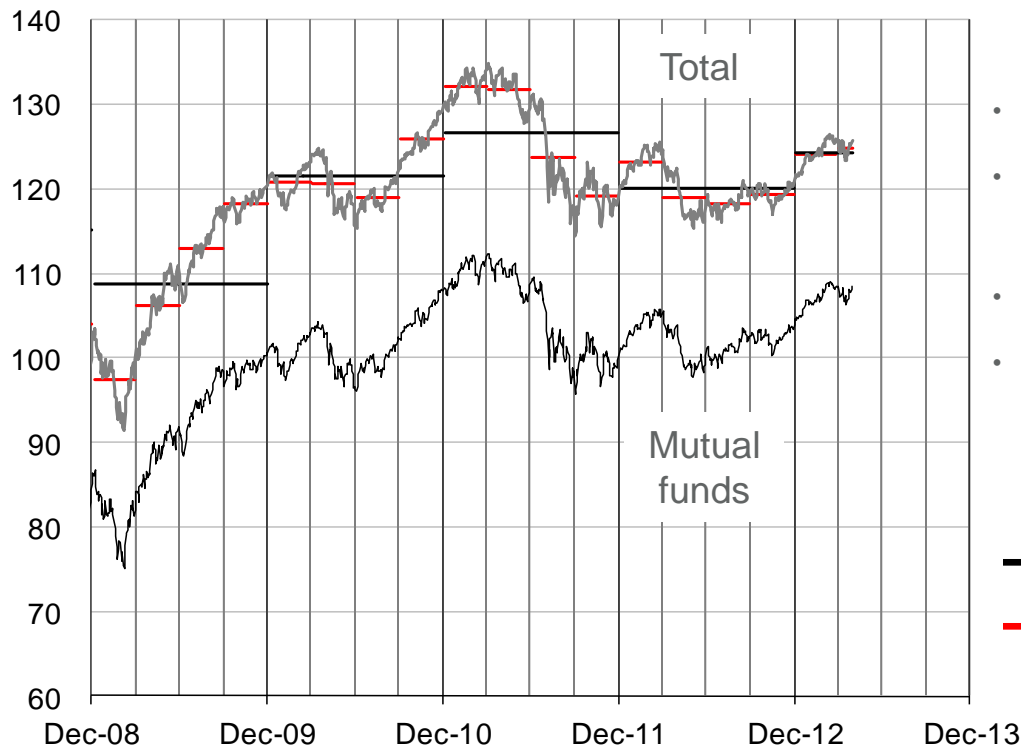
	Q1, 2013	Q2, 2013 at May 2
Mutual Fund Long Term Assets	6.2%	
S&P / TSX Composite	2.5%	(2.9%)
S&P 500	10.0%	1.8%
Dow Jones Industrial	11.3%	1.7%
Nasdaq Composite	8.2%	2.2%
FTSE 100	8.7%	0.8%
DAX	2.4%	2.1%
Nikkei 225	19.3%	10.5%
US dollar relative to CAD	2.6%	(0.7%)
Euro relative to CAD	(0.3%)	1.2%

Mutual fund industry reflects Investor Economics data and excludes exchange traded funds.  
All index returns are local market returns.

# IGM Financial Highlights – Assets Under Management

- ♦ *Average mutual fund assets under management increased by 3.2% during Q1, 2013 relative to Q1, 2012 and increased by 4.4% relative to Q4, 2012.*

**Assets Under Management  
(\$ Billions)**



**Average Assets Under Management (\$ Billions)**

- \$125.8 at Mar 31
- \$125.7 at Apr 30
- \$108.5 at Mar 31
- \$108.4 at Apr 30

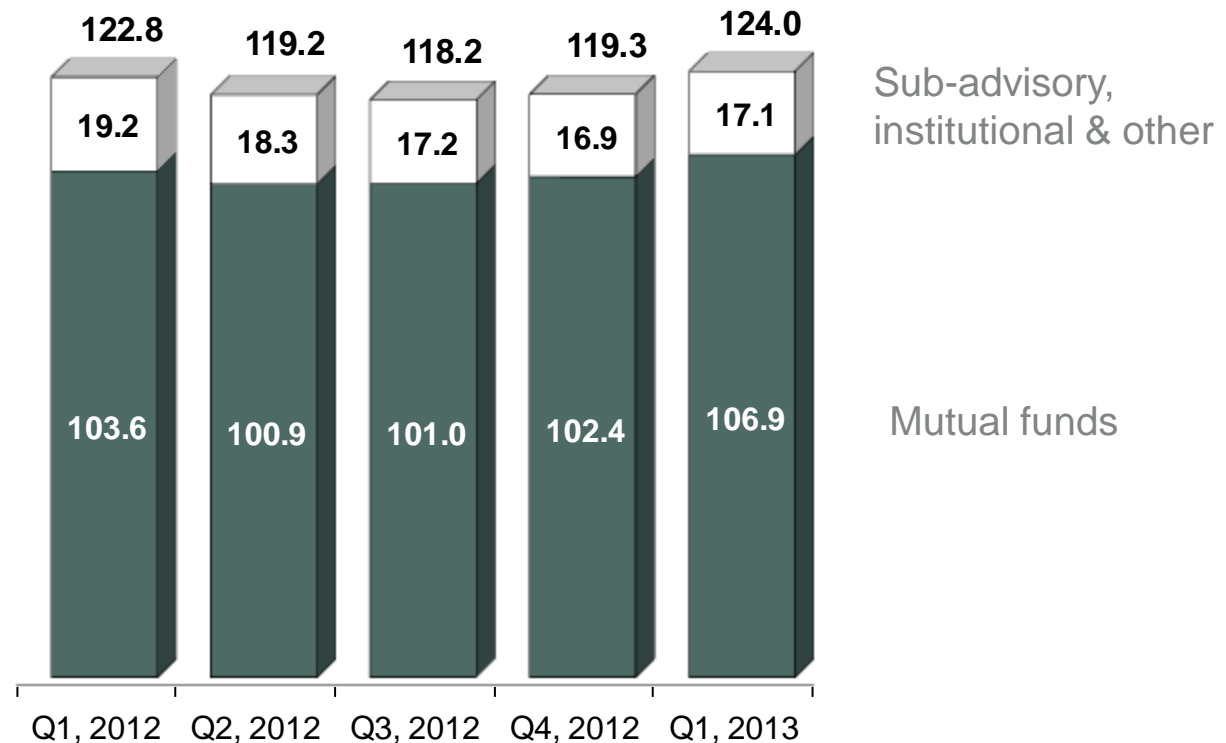
	Total	Mutual funds
Q1, 2013	124.0	106.9
Q1, 2013 versus Q4, 2012	3.9%	4.4%
Q1, 2013 versus Q1, 2012	1.0%	3.2%
Q4, 2012	119.3	102.4
Q1, 2012	122.8	103.6

- Annual Average
- Quarterly Average

# IGM Financial Highlights – Assets Under Management

- ♦ *Average total assets under management increased by 1.0% during Q1, 2013 relative to Q1, 2012 and increased by 3.9% relative to Q4, 2012.*

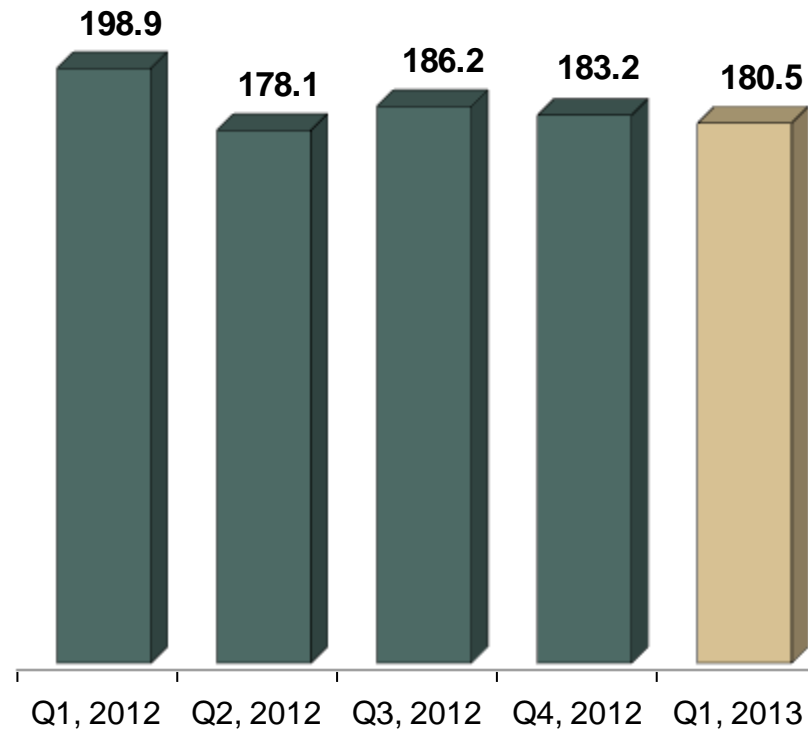
Average Assets Under Management  
(\$ Billions)



# IGM Financial Highlights – Operating Earnings

- ◆ *IGM Financial's Operating Earnings declined by 9.2% during Q1, 2013 relative to Q1, 2012 and declined by 1.5% relative to Q4, 2012.*

Operating Earnings <sup>1</sup>  
(\$ Millions)

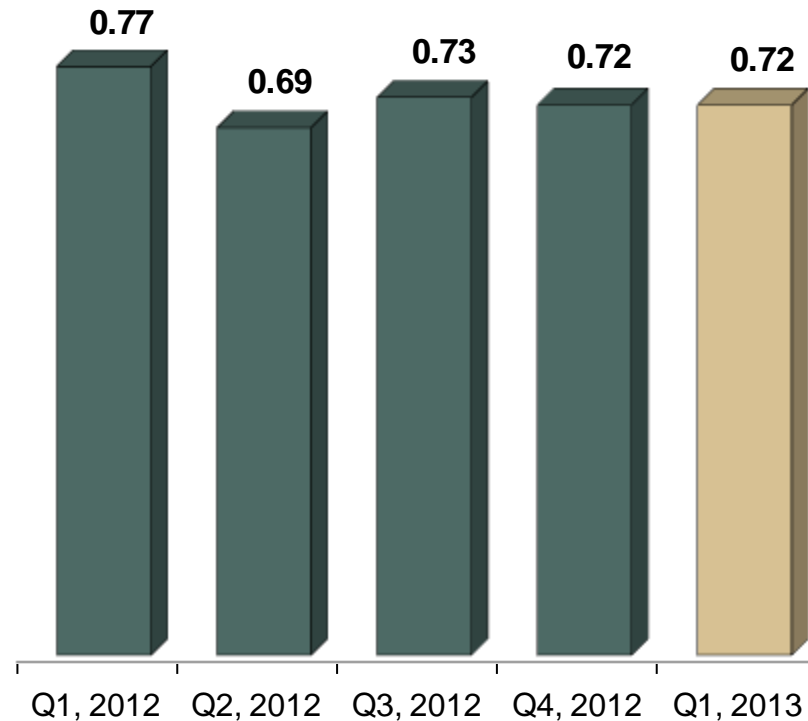


1. Please refer to slide 4 for a discussion of adjustments.

# IGM Financial Highlights – Operating Earnings Per Share

- ◆ *IGM Financial's Operating Earnings Per Share declined by 6.5% during Q1, 2013 relative to Q1, 2012 and were unchanged relative to Q4, 2012.*

Operating Earnings per Share <sup>1</sup>  
(\$ Diluted)



1. Please refer to slide 4 for a discussion of adjustments.



1. Highlights

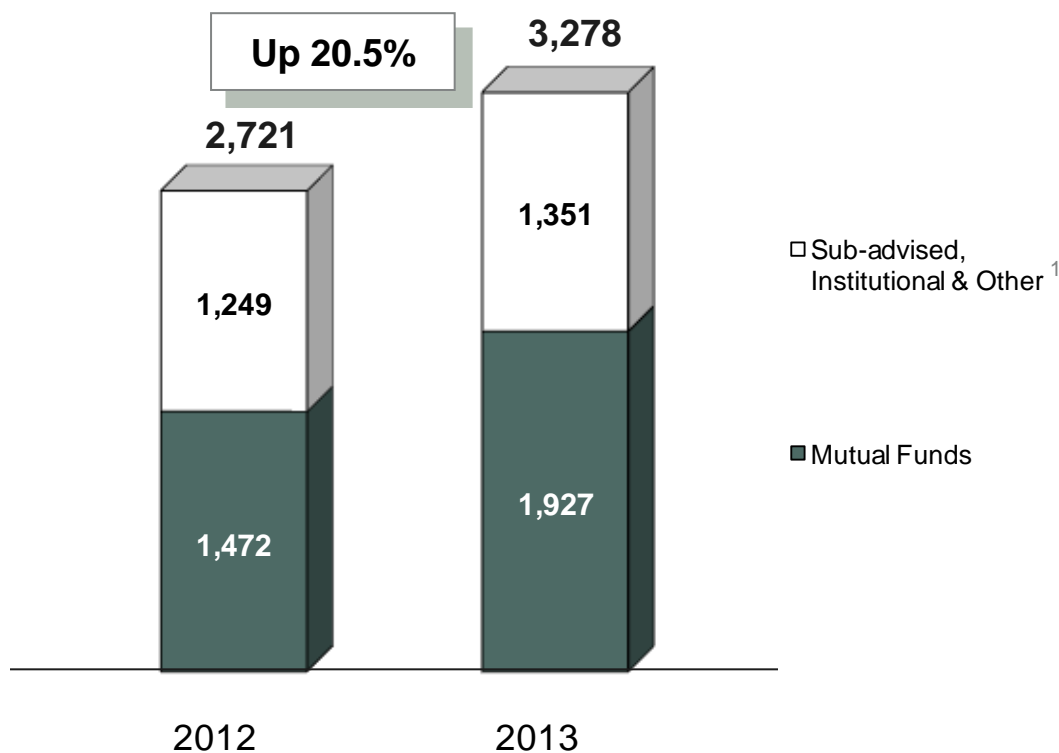
**2. Mackenzie Investments**

3. Investors Group

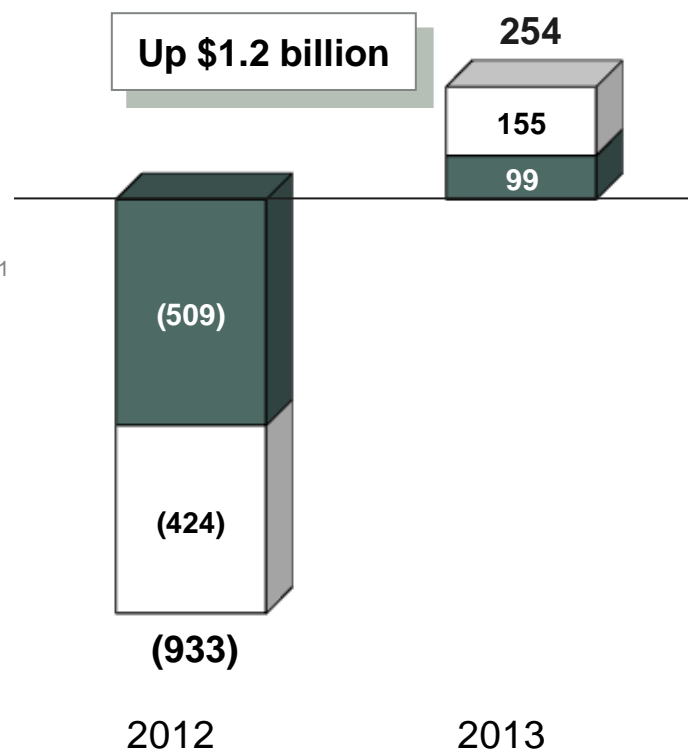
# Mackenzie Sales

- *Mackenzie had gross sales of investment products of \$3.3 billion during Q1, 2013 and net sales of \$254 million.*

Mackenzie Gross Sales of Investment Products  
Three months ended March 31  
(\$ Millions)



Mackenzie Net Sales of Investment Products  
Three months ended March 31  
(\$ Millions)

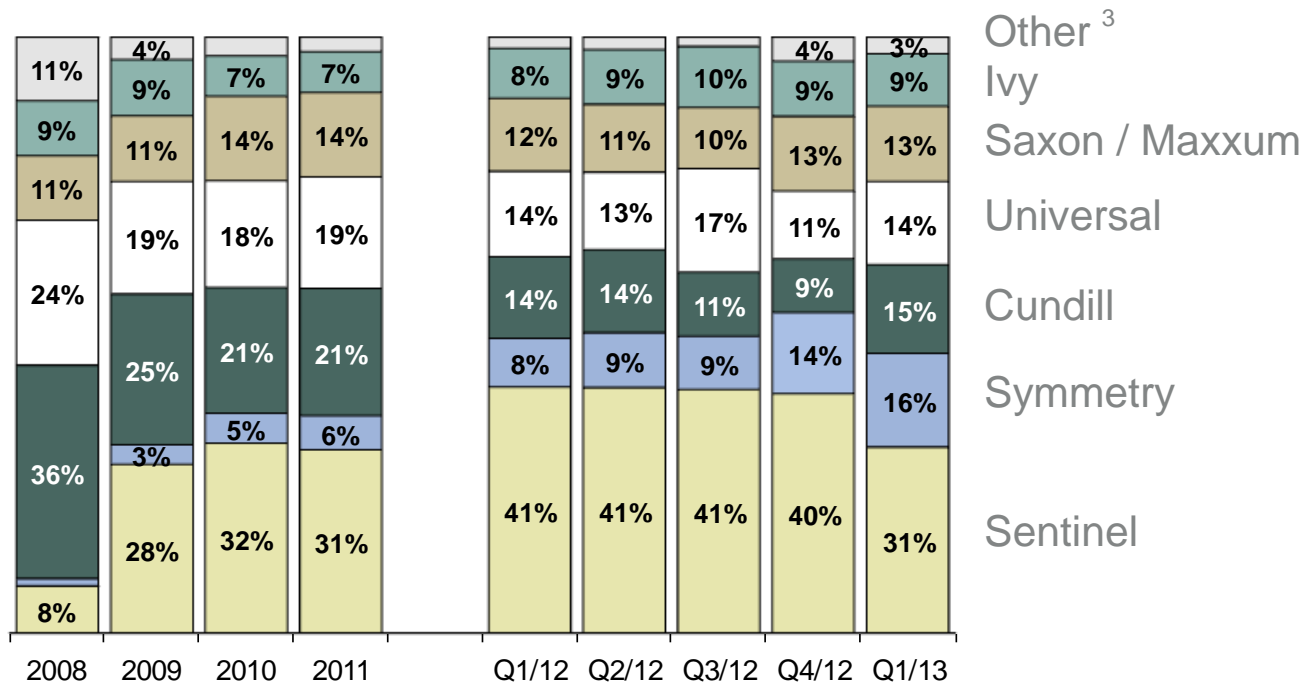


1. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel.

# Mackenzie Mutual Fund Gross Sales

- ◆ *Mackenzie's income-oriented Sentinel sub-brand continued to experience strong flows during Q1, 2013.*

Gross Sales Mix of Long Term Mutual Funds by Mackenzie Sub-Brand <sup>1,2</sup>  
 Twelve month periods ended December 31 (unless otherwise indicated)

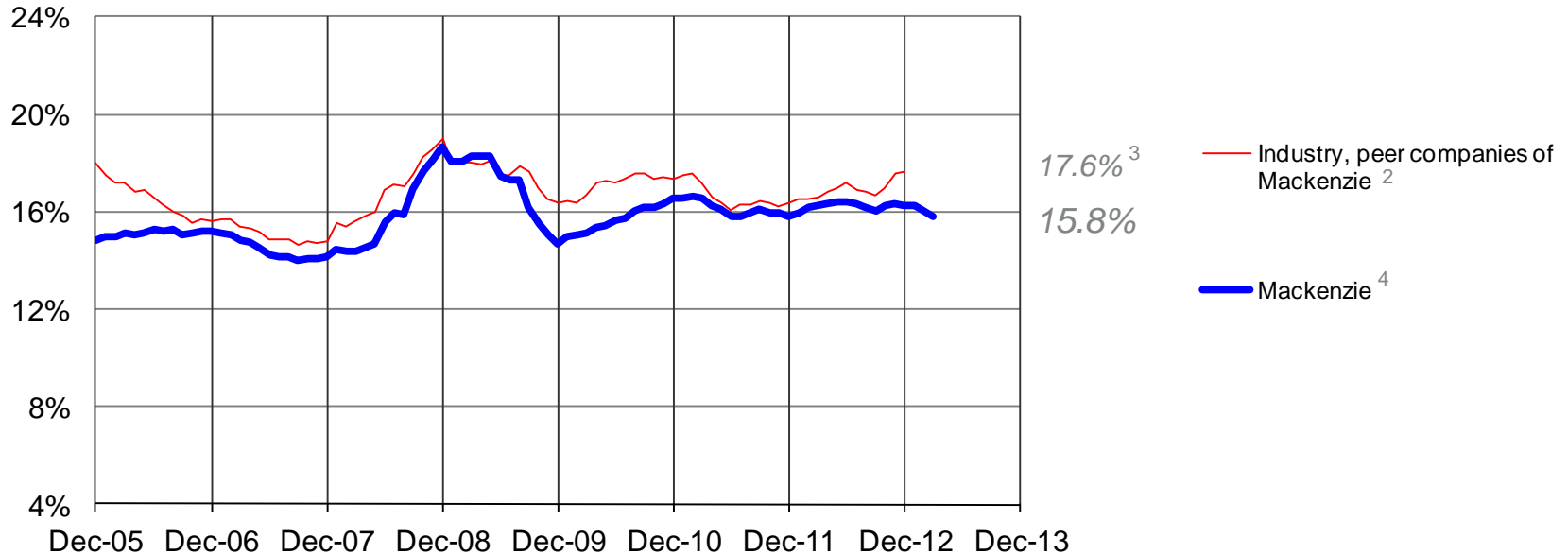


1. Q4, 2012 excludes \$556 million in mutual fund gross sales related to institutional rebalancing during the period.
2. Prior periods have been adjusted to remove the impact of significant rebalancing activity.
3. All other Mackenzie mutual funds, excluding Quadrus funds.

# Mackenzie Mutual Fund Redemption Rate

- **Mackenzie's twelve month trailing redemption rate on long term mutual funds was 15.8% at March 31, 2013, excluding institutional rebalancing during the fourth quarter of 2012.**

## Redemption Rate on Long Term Mutual Funds <sup>1</sup> (Last Twelve Month Trailing % of Average Assets Under Management)

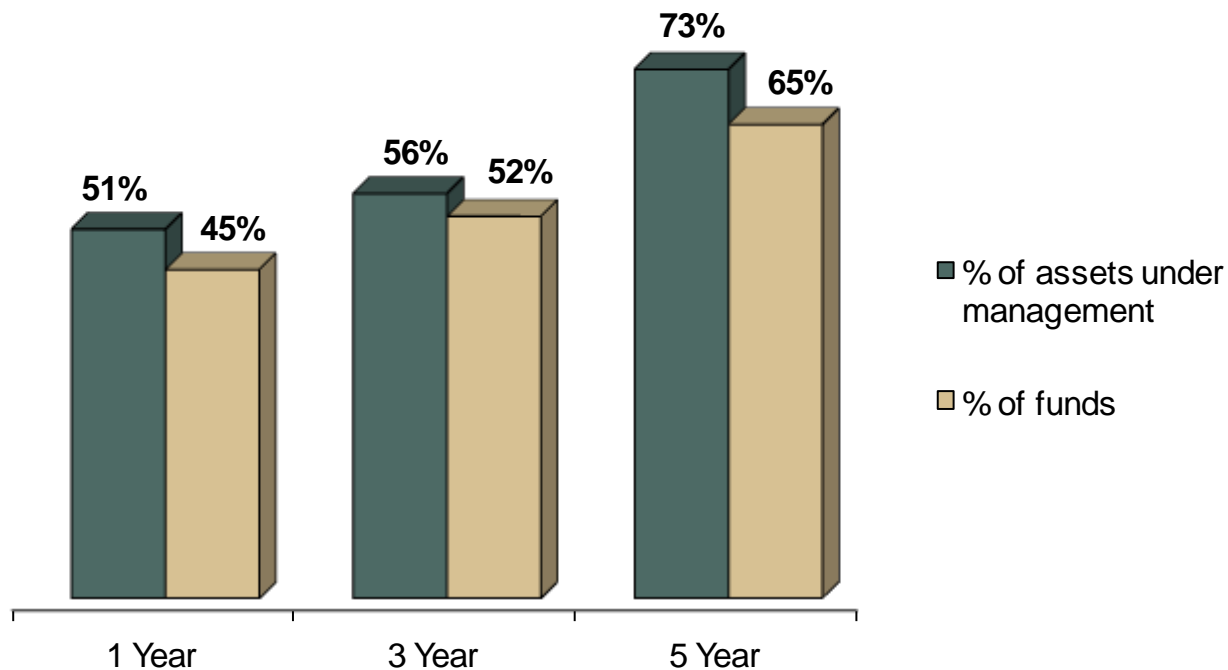


1. All numbers have been restated to exclude CI Investments and Invesco at the time that they discontinued reporting to IFIC. CI discontinued reporting to IFIC during December, 2008 and Invesco discontinued reporting to IFIC October, 2010.
2. Excludes Mackenzie, Investors Group, deposit takers and direct distributors.
3. Twelve month trailing redemption rate as of December 31, 2012.
4. Redemption rate excludes \$620 million of redemptions during Q4, 2012 associated with institutional platform rebalancing. Prior periods have been adjusted to remove the impact of significant rebalancing activity.

# Mackenzie Investment Performance

- ◆ *73% of Mackenzie's assets reside within funds which have had first or second quartile performance over the last five years.*

Mackenzie Mutual Funds in First or Second Quartile <sup>1</sup>  
As at March 31, 2013

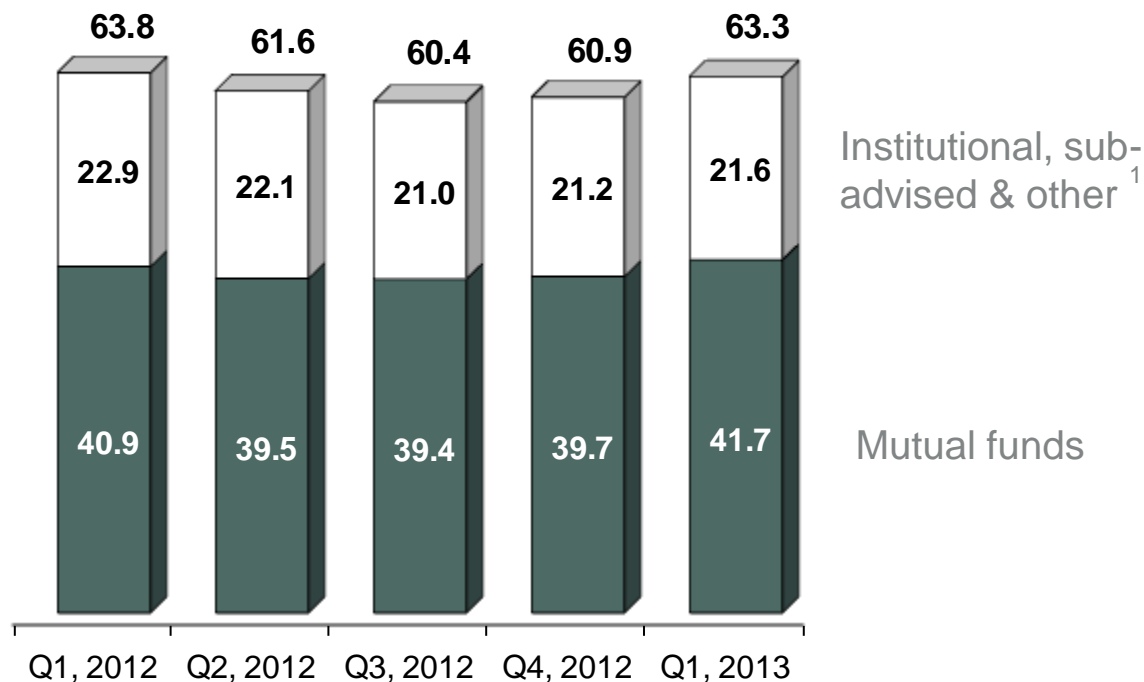


Source: Morningstar  
1. Excludes Quadrus funds.

# Mackenzie Assets Under Management

- ♦ *The average balance of mutual fund assets under management increased by 2.0% during Q1, 2013 relative to Q1, 2012, and average total assets decreased by 0.9%.*

Average Assets Under Management  
(\$ Billions)

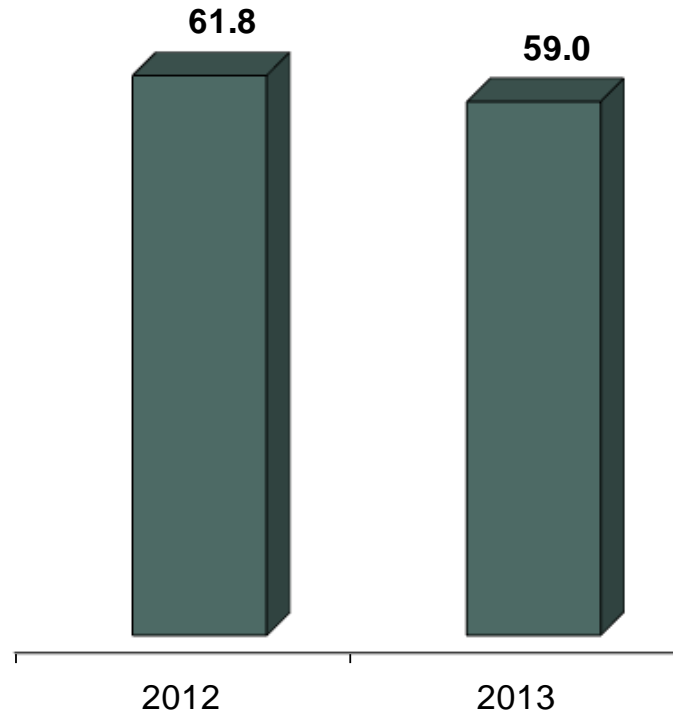


1. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel.

# Mackenzie Operating Segment – EBIT

- ◆ *Mackenzie's Earnings before Interest and Taxes decreased by 4.5% during Q1, 2013 relative to Q1, 2012.*

Earnings before Interest & Taxes <sup>1</sup>  
Three months ended March 31  
(\$ Millions)



# Mackenzie Operating Segment – EBIT

- ◆ *Mackenzie's Earnings before Interest and Taxes were \$59.0 million during Q1, 2013.*

Three months ended March 31  
(\$ Millions, unless otherwise indicated)

	<u>2012</u>	<u>2013</u>	<u>Change</u>
Average assets under management (\$ billions)			
Total	63.8	63.3	(0.9%)
Mutual funds	40.9	41.7	2.0%
Revenues			
Management fees	164.0	161.3	(1.6%)
Administration fees	26.9	25.4	(5.6%)
Distribution fees	5.0	3.8	(24.0%)
	<u>195.9</u>	<u>190.5</u>	(2.8%)
Net investment income and other	(0.2)	1.7	n/m
Total	<u>195.7</u>	<u>192.2</u>	(1.8%)
Expenses			
Commission amortization	22.2	18.9	(14.9%)
Trailing commission	46.0	47.7	3.7%
Commission	68.2	66.6	(2.3%)
Non-commission	65.7	66.6	1.4%
Total	<u>133.9</u>	<u>133.2</u>	(0.5%)
Earnings before Interest and Taxes	<u><b>61.8</b></u>	<u><b>59.0</b></u>	(4.5%)



# Mackenzie Developments

## 1. Product Shelf and Investment Management

- a) On April 23, Mackenzie announced a number of changes to simplify and strengthen its mutual fund product line-up.
  - Reducing the number of funds – 29 fund mergers designed to simplify fund choices.
  - New fund launches – Mackenzie Strategic Bond Fund & Mackenzie Floating Rate Income Fund.
  - Re-naming funds & investment teams – Reducing the number of sub-brands from 9 to 3: Cundill, Ivy and Symmetry remain. Ten investment teams remain distinct, but re-named in certain instances.
  - Enhancing investment management capabilities – Expanding fixed income team in floating rate investments & Asian credit, and Mackenzie's fixed income team will now managed the fixed income portion of all balanced funds.
- b) Mackenzie's Singapore-based subsidiary obtained registration with the Monetary Authority of Singapore and it was appointed as a sub-advisor on two Mackenzie fund mandates.
- c) Mackenzie announced that it was suspending purchases into certain funds that use character conversion transactions to obtain tax efficient exposure for investors.

## 2. Management Appointment

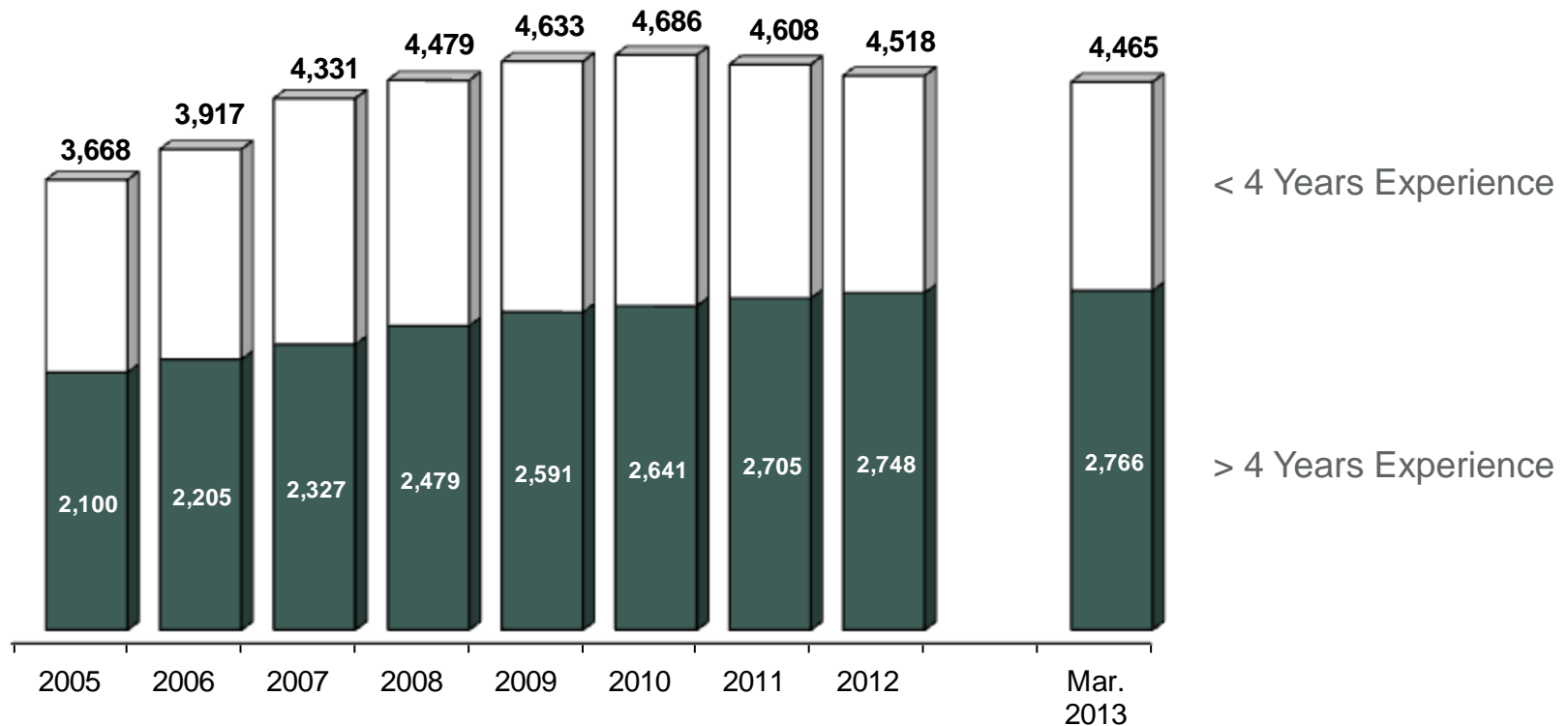
- Jeffrey R. Carney, CFA, named President & CEO of Mackenzie and Co-President & CEO of IGM Financial.
- Mr. Carney has more than 25 years of experience at investment management firms and banks in Canada & the US, including Putnam, Fidelity & TD.
- Charles R. Sims to continue working with the Power Financial group following a period of assisting Mr. Carney with leadership transition.

1. Highlights
2. Mackenzie Investments
- 3. Investors Group**

# Investors Group Consultant Network

- ◆ *The number of Consultants with more than four years Investors Group experience increased to 2,766 at March 31, 2013 compared to 2,714 at March 31, 2012.*

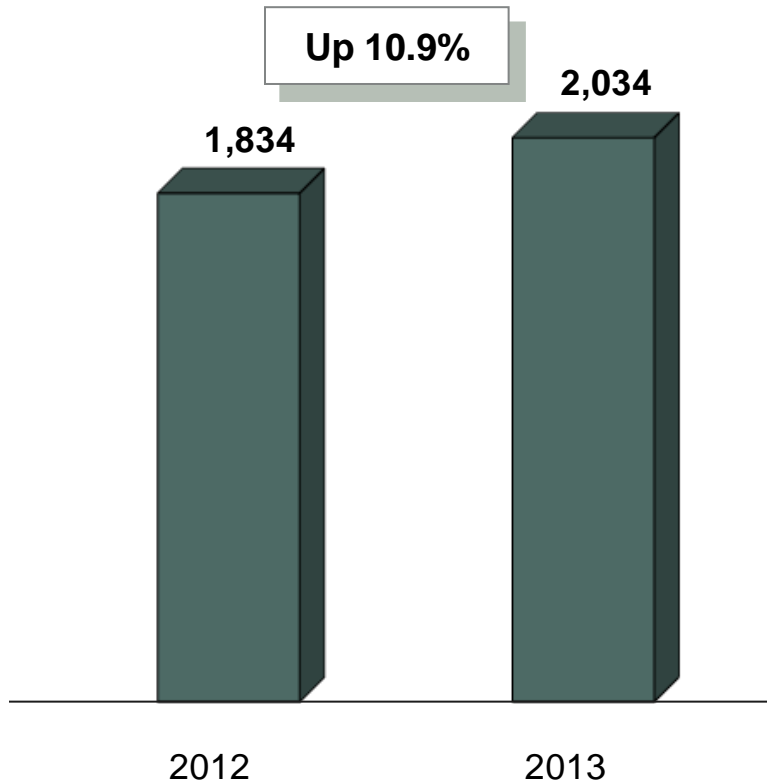
Number of Investors Group Consultants  
As at December 31 (unless otherwise indicated)



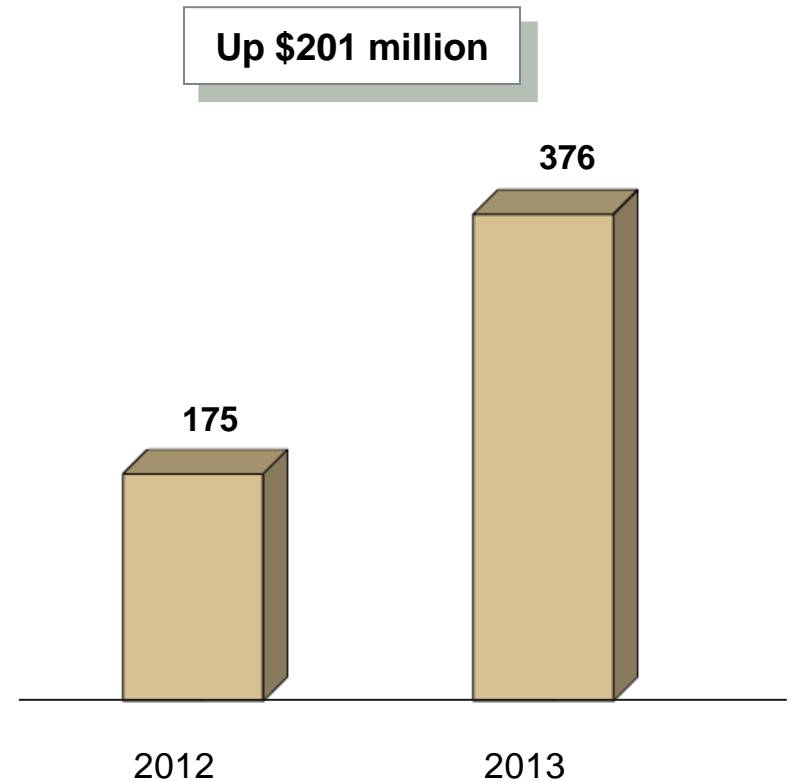
# Investors Group Mutual Fund Sales

- Investors Group had gross sales of \$2.0 billion during Q1, 2013 and net sales of \$376 million.

Mutual Fund Gross Sales  
Three months ended March 31  
(\$ Millions)



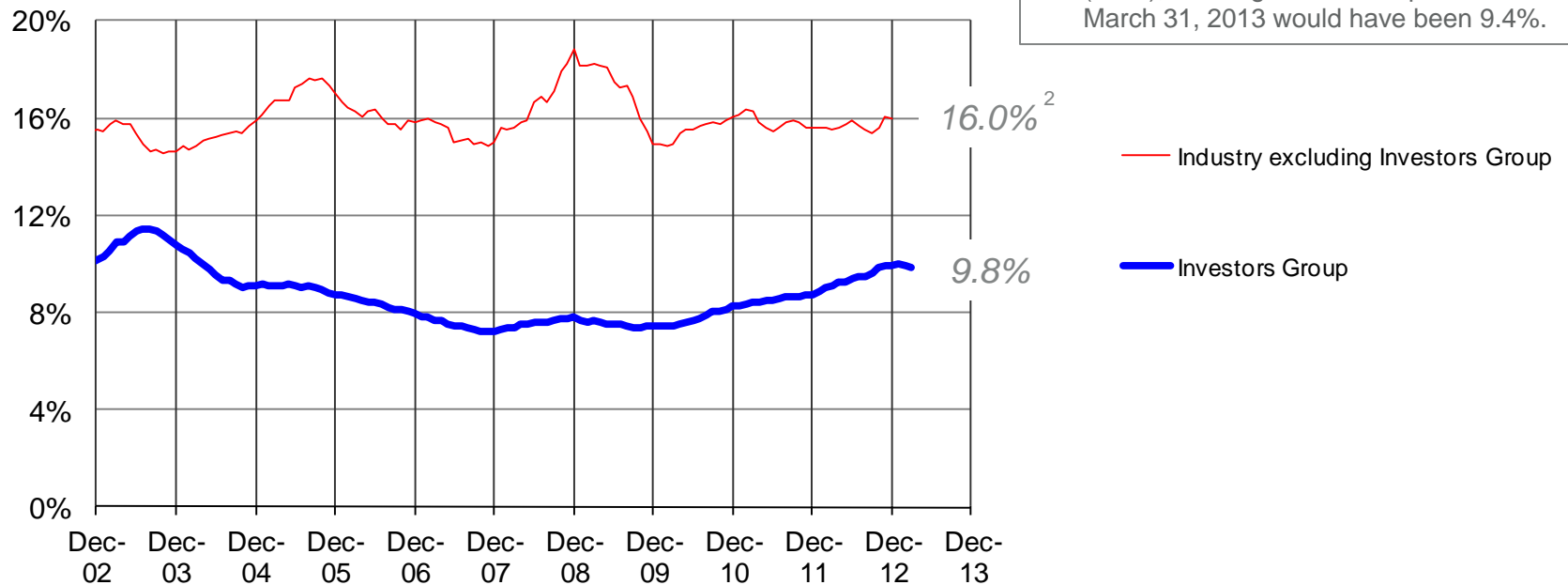
Mutual Fund Net Sales  
Three months ended March 31  
(\$ Millions)



# Investors Group Mutual Fund Redemption Rate

- Investors Group's twelve month trailing redemption rate on long term mutual funds was 9.8% at March 31, 2013, well below the industry average.

**Redemption Rate on Long Term Mutual Funds<sup>1</sup>**  
 (Last Twelve Month Trailing % of Average Assets Under Management)



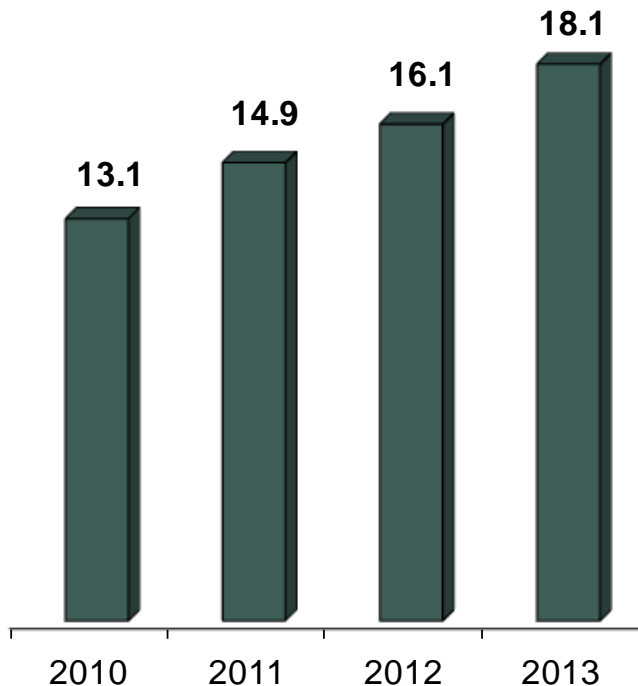
• Excluding redemption activity in Cornerstone Funds (money market substitutes) and transfers to Guaranteed Investment Funds (GIFs), the long-term redemption rate at March 31, 2013 would have been 9.4%.

1. All numbers exclude CI Investments and Invesco from the date that they discontinued reporting to IFIC. CI discontinued reporting to IFIC during December, 2008 and Invesco discontinued reporting to IFIC during October, 2010.  
 2. Twelve month trailing redemption rate as of December 31, 2012.

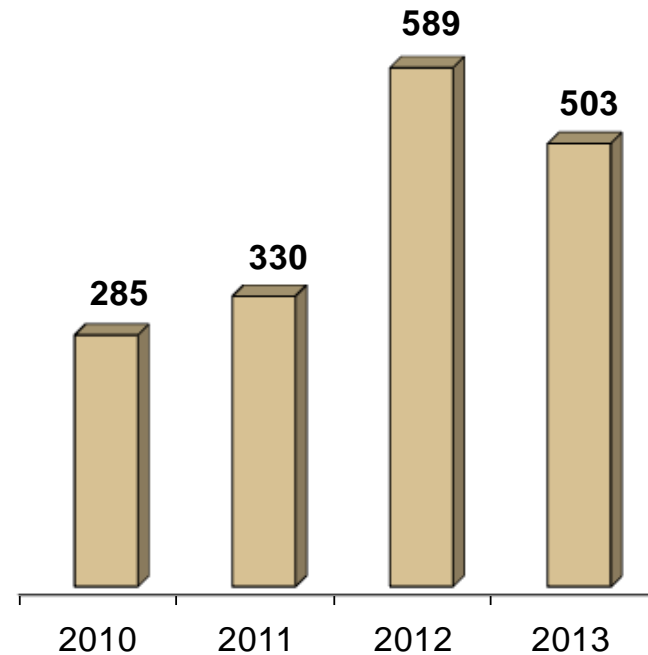
# Insurance and Mortgage Distribution

- ◆ *Investors Group insurance product sales increased by 12.1% during Q1, 2013 and mortgage originations were more than \$500 million.*

New Annualized Insurance Premiums  
Three months ended March 31  
(\$ Millions)



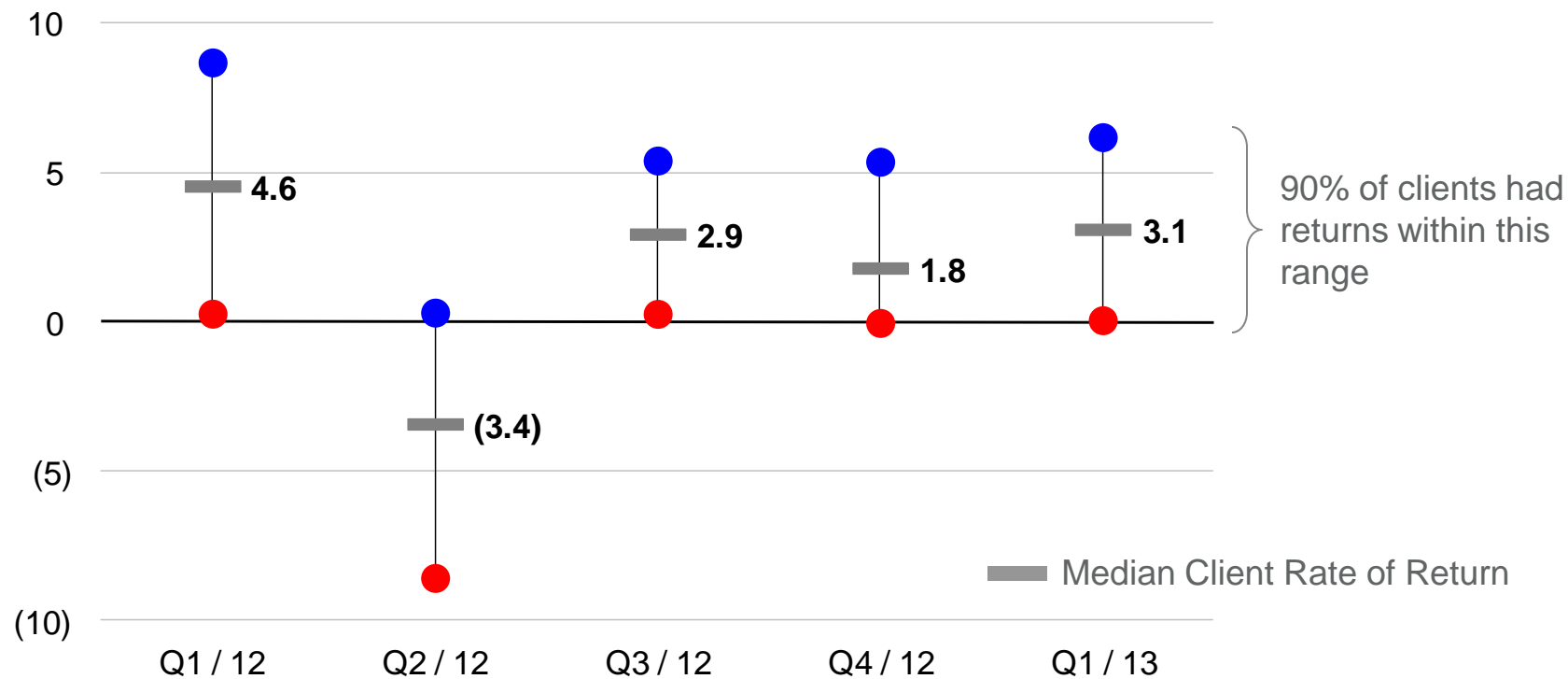
Mortgage Originations  
Three months ended March 31  
(\$ Millions)



# Investors Group Client Experience

- ◆ *The median Investors Group client return was approximately 3.1% during the first quarter of 2013 and approximately 4.7% for the past twelve months.*

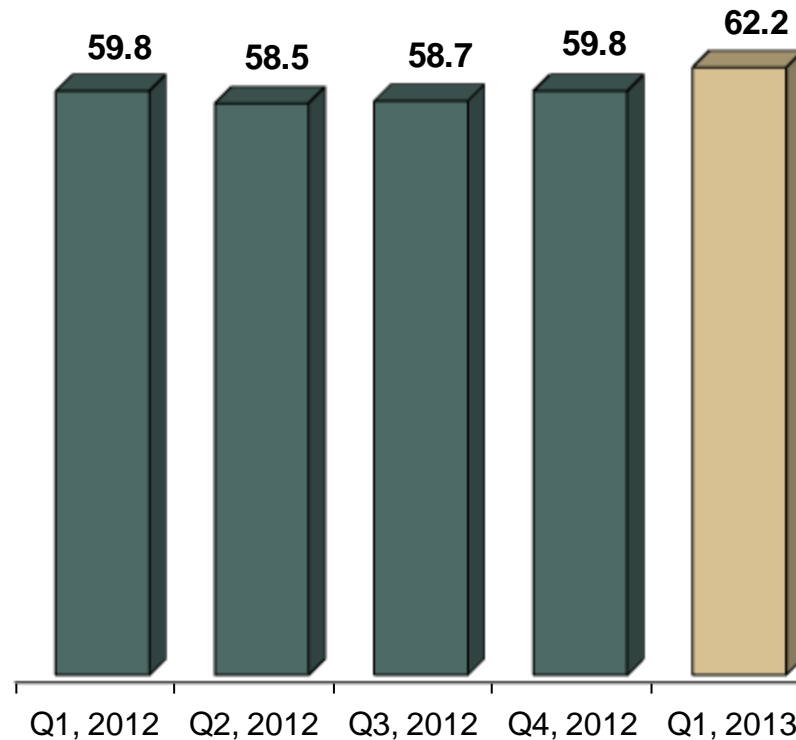
Investors Group Client Account Rate of Return Experience (%)



# Investors Group Mutual Fund Assets Under Management

- ◆ *The average balance of mutual fund assets under management increased by 4.0% during Q1, 2013 relative to Q1, 2012.*

Average Assets Under Management  
(\$ Billions)

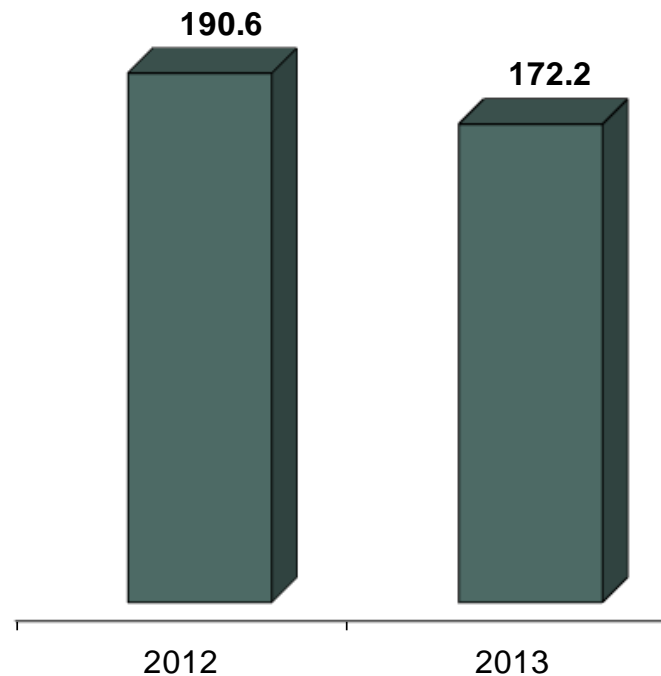




# Investors Group Operating Segment – EBIT

- ◆ *Investors Group's Earnings before Interest & Taxes declined by 9.7% during Q1, 2013 relative to Q1, 2012.*

Earnings before Interest & Taxes  
Three months ended March 31  
(\$ Millions)



# Investors Group Operating Segment – EBIT

- ◆ *Investors Group's Operating Earnings before Interest & Taxes were \$172.2 million during Q1, 2013.*

Three months ended March 31

(\$ Millions, unless otherwise indicated)

	<u>2012</u>	<u>2013</u>	<u>Change</u>
Average mutual fund assets under management (\$ billions)	59.8	62.2	4.0%
Revenues			
Management fees	281.0	270.1	(3.9%)
Administration fees	<u>55.5</u>	<u>57.6</u>	3.8%
	336.5	327.7	(2.6%)
Distribution fees	<u>49.3</u>	<u>46.5</u>	(5.7%)
	385.8	374.2	(3.0%)
Net investment income and other	<u>21.5</u>	<u>18.4</u>	(14.4%)
Total	407.3	392.6	(3.6%)
Expenses			
Commission amortization	46.0	43.3	(5.9%)
Other commission	<u>77.6</u>	<u>77.8</u>	0.2%
Commission	123.6	121.1	(2.0%)
Non-commission	<u>93.1</u>	<u>99.3</u>	6.7%
Total	216.7	220.4	1.7%
Earnings before Interest and Taxes	<u><b>190.6</b></u>	<u><b>172.2</b></u>	(9.7%)

Pension expense up \$2.6 versus reported Q1/12 and up \$1.6 versus restated Q1/12 due to changes to IFRS accounting guidance and valuation assumptions.

# Investors Group Developments

## 1. Sales and Asset Growth

- Mutual fund gross sales increased by 11% and net sales improved to \$376 million.
- Redemption rate improved to 9.8% and continues to be well below the industry average.

## 2. Consultant Network

- The number of Consultants with more than four years Investors Group experience continued to increase to 2,766.
- Continued expansion of the Consultant Network with one new region office in Winnipeg announced during the first quarter which will expand our network to 109 region offices across Canada.

## 3. Product Enhancements

- Enhanced the iProfile Managed Asset Program with the addition of new iProfile Classes within the Corporate Class structure and Series T options for clients who wish to receive a regular monthly cash flow.
- Six fund (and class) mergers proposed – Japanese Equity, European Dividend Growth, Summa Global SRI, Mergers & Acquisitions, IG Mackenzie Universal Global Growth, Real Return Bond.