



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 THIRD QUARTER EARNINGS

Winnipeg – November 3, 2016: IGM Financial Inc. (IGM or the Company) (TSX:IGM) today announced earnings results for the third quarter of 2016.

Net earnings available to common shareholders for the three months ended September 30, 2016 were \$197.6 million or 82 cents per share compared to net earnings available to common shareholders of \$199.0 million or 81 cents per share for the comparative period in 2015.

Net earnings available to common shareholders for the nine months ended September 30, 2016 were \$537.5 million or \$2.22 per share compared to net earnings available to common shareholders of \$597.8 million or \$2.40 per share for the comparative period in 2015.

Revenues for the three months ended September 30, 2016 were \$776.4 million compared to \$751.7 million a year ago. Revenues for the nine months ended September 30, 2016 were \$2.24 billion compared to \$2.28 billion a year ago. Expenses were \$521.2 million for the third quarter of 2016 compared to \$494.8 million a year ago and \$1.56 billion for the nine month period compared to \$1.50 billion a year ago.

Total assets under management at September 30, 2016 were \$139.9 billion compared to \$130.9 billion at September 30, 2015. Mutual fund assets under management at September 30, 2016 were \$133.6 billion compared to \$124.9 billion at September 30, 2015.

Shareholders' equity at September 30, 2016 was \$4.7 billion, compared to \$4.8 billion at September 30, 2015. Return on average common equity for the nine months ended September 30, 2016 was 15.6% compared to 17.0% for the comparative period in 2015.

INVESTORS GROUP OPERATIONS

“Strong equity markets led to healthy client returns in the quarter and contributed to mutual fund assets under management reaching an all-time quarterly high of \$78.9 billion,” said Jeffrey R. Carney, President and Chief Executive Officer of Investors Group Inc. and IGM Financial Inc. “Also in the quarter, we announced that we will be discontinuing the deferred sales charge option for mutual funds, as well as reducing fees on no-load funds, effective January 1, 2017.”

Mutual fund sales for the third quarter of 2016 were \$1.6 billion, a decrease of 10.2% compared to \$1.8 billion in the prior year and mutual fund net redemptions for the third quarter of 2016 were \$194 million compared to net sales of \$139 million a year ago.

Mutual fund sales for the nine months ended September 30, 2016 were \$5.7 billion, a decrease of 6.6% compared to \$6.1 billion in the prior year and mutual fund net sales were \$105 million compared to net sales of \$754 million a year ago.



The twelve month trailing redemption rate (excluding money market funds) was 8.9% at September 30, 2016, compared to 8.8% at June 30, 2016.

Mutual fund assets under management at September 30, 2016 were \$78.9 billion compared to \$73.5 billion at September 30, 2015.

MACKENZIE OPERATIONS

Mutual fund sales for the third quarter of 2016 were \$1.7 billion compared to \$1.5 billion in the prior year. Mutual fund net redemptions for the third quarter were \$70 million compared to net redemptions of \$180 million a year ago.

Mutual fund sales for the nine months ended September 30, 2016 were \$5.0 billion compared to \$5.3 billion in the prior year. Mutual fund net redemptions were \$643 million compared to net redemptions of \$831 million a year ago.¹

Total net sales for the third quarter of 2016 were \$55 million compared to total net redemptions of \$126 million a year ago. Total net redemptions for the nine months ended September 30, 2016 were \$623 million compared to total net redemptions of \$10.2 billion a year ago. Excluding rebalance activities,^{1,2} total net sales for the nine months ended September 30, 2015 were \$527 million.

“Mutual fund sales in the third quarter were \$1.7 billion, up 11% from last year,” said Barry McInerney, President and Chief Executive Officer of Mackenzie Investments. “We continued our efforts to meet investor needs through product innovation by launching three exchange traded funds and three mutual funds, that offer investors enhanced diversification solutions. These products were launched in partnership with TOBAM, whose approach is designed to protect portfolios from structural bias and unmanaged risks often found in cap-weighted indices.”

Mackenzie’s total assets under management at September 30, 2016 were \$64.3 billion compared to \$60.3 billion at September 30, 2015. Mutual fund assets under management at September 30, 2016 were \$50.3 billion compared to \$47.4 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 and the preferred share dividend are payable on January 31, 2017 to shareholders of record on December 30, 2016.

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

¹ During the nine months ended September 30, 2015, certain third party programs which include Mackenzie mutual funds made fund allocation changes which resulted in net redemptions of \$456 million.

² During the nine months ended September 30, 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.

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.

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.



- 4 -

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 \$139 billion in total assets under management as of October 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.

For more information contact:

Media Relations:

Ron Arnst
204-956-3364
ron.arnst@igmfinancial.com

Investor Relations:

Paul Hancock
204-956-8103
paul.hancock@igmfinancial.com

Media Note: A live webcast of IGM's Analyst conference call for the Third Quarter 2016 will be held on Friday November 4, 2016 at 9:00 A.M. (ET) at www.igmfinancial.com. Media and interested parties may alternatively choose to listen to the live analyst teleconference call by dialing **1-866-223-7781** 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 September 30		Nine months ended September 30	
	2016	2015	2016	2015
Revenues				
Management fees	\$ 518,308	\$ 508,531	\$ 1,499,530	\$ 1,534,921
Administration fees	107,931	104,595	312,609	312,826
Distribution fees	101,048	92,695	292,358	282,514
Net investment income and other	23,114	19,545	61,400	63,787
Proportionate share of affiliate's earnings	26,049	26,362	77,733	81,772
	776,450	751,728	2,243,630	2,275,820
Expenses				
Commission	273,202	263,158	801,845	797,712
Non-commission	224,880	208,471	684,487	637,946
Interest	23,165	23,200	68,991	68,914
	521,247	494,829	1,555,323	1,504,572
Earnings before income taxes	255,203	256,899	688,307	771,248
Income taxes	55,389	55,660	144,214	166,776
Net earnings	199,814	201,239	544,093	604,472
Perpetual preferred share dividends	2,213	2,213	6,638	6,638
Net earnings available to common shareholders	\$ 197,601	\$ 199,026	\$ 537,455	\$ 597,834
Average number of common shares (in thousands)				
- Basic	240,498	246,953	241,564	249,025
- Diluted	240,589	247,059	241,657	249,169
Earnings per share (in dollars)				
- Basic	\$ 0.82	\$ 0.81	\$ 2.22	\$ 2.40
- Diluted	\$ 0.82	\$ 0.81	\$ 2.22	\$ 2.40

IGM FINANCIAL INC.
Financial Highlights

<i>(unaudited)</i>	For the three months ended September 30			As at and for the nine months ended September 30		
	2016	2015	Change	2016	2015	Change
Net earnings available to common shareholders (\$ millions)	\$ 197.6	\$ 199.0	(0.7) %	\$ 537.5	\$ 597.8	(10.1) %
Diluted earnings per share	0.82	0.81	1.2	2.22	2.40	(7.5)
Return on equity				15.6%	17.0%	
Dividends per share	0.5625	0.5625	-	1.6875	1.6875	-
Total assets under management ⁽¹⁾ (\$ millions)				\$ 139,867	\$ 130,923	6.8 %
Investors Group						
Mutual funds				78,892	73,532	7.3
Mackenzie						
<i>Mutual funds</i>				50,252	47,420	
<i>Sub-advisory, institutional and other accounts</i>				14,021	12,871	
Total				64,273	60,291	6.6
Counsel						
Mutual funds				4,485	4,005	12.0
Mutual Funds and Institutional Sales (\$ millions)						
		Investors Group		Mackenzie	Counsel	Total ⁽²⁾
			Mutual Funds	Total		
For the three months ended September 30, 2016						
Gross sales	\$ 1,626	\$ 1,651	\$ 2,437	\$ 177	\$ 3,855	
Net sales (redemptions)	(194)	(70)	55	35	(106)	
For the nine months ended September 30, 2016						
Gross sales	\$ 5,671	\$ 4,986	\$ 8,133	\$ 652	\$ 13,046	
Net sales (redemptions)	105	(643)	(623)	145	(541)	

⁽¹⁾ Total assets under management excluded \$7.8 billion of assets sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel (\$6.9 billion at September 30, 2015).

⁽²⁾ Total Gross Sales and Net Sales for the three months ended September 30, 2016 excluded \$385 million and \$2 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, 2016 excluded \$1.4 billion and \$168 million, respectively, in accounts sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel.