



News Release

IGM FINANCIAL INC. ACQUIRES 10% INTEREST IN MARKET-LEADING CHINA ASSET MANAGEMENT CO., LTD.

***China AMC is one of the largest and fastest-growing asset managers
in China with total AUM of RMB¥1099.7B (CAD\$215B)***

Winnipeg, December 29, 2016: IGM Financial Inc. today announced that its subsidiary, Mackenzie Financial Corporation (“Mackenzie Investments”), has entered into an agreement to acquire a 10% interest in China Asset Management Co., Ltd. (“China AMC”) for approximately RMB¥2.4 billion (CAD\$468 million). Mackenzie Investments has the opportunity to increase its equity position by an additional 3.9% in January through another purchase agreement. Both transactions involve separate non-strategic shareholders that are state-owned enterprises in China. China AMC is a market-leading asset manager in China.

“This acquisition gives IGM Financial the opportunity to participate in a rapidly-growing asset management industry in the world’s second largest economy,” said Jeff Carney, President and Chief Executive Officer, IGM Financial. “It also enables us to diversify our business outside of Canada.”

Established in 1998 as one of China’s first fund management companies, China AMC has a strong leadership team and multi-channel distribution business model which is supported by a market-leading brand, significant scale and strong investment management capabilities. The company also has a well-established institutional business and a diversified asset mix and client base utilizing China AMC’s high quality products. It has demonstrated robust asset growth, with nearly RMB¥1099.7 billion (CAD\$215 billion) in assets under management as of June 30, 2016, and has experienced a compound annual growth rate (CAGR) of over 40% since December 31, 2011. After-tax income in 2015 amounted to RMB¥1414 million (CAD\$289 million).

“China AMC is a well-diversified asset manager with strong investment performance across multiple asset classes,” added Carney. “The company’s controlling equity holder, CITIC Securities, China’s largest securities dealer, is a strong partner that will help us create long-term value for our stakeholders.”

“Mackenzie Investments and Investors Group have been actively developing relationships with China AMC since 2011,” said Barry McInerney, President and Chief Executive Officer, Mackenzie Investments. “Mackenzie was recently awarded a new relative return global fixed income mandate to be distributed through China AMC’s platform, and we look forward to this and other synergies which enable us to grow our retail and institutional business in both geographical regions.”

“We are very pleased that Mackenzie Investments has taken a significant ownership stake in China AMC,” said Yang Minghui, Chairman of China AMC and President of CITIC Securities. “We look forward to Mackenzie Investments becoming an equity holder of China AMC which will further strengthen our relationship with IGM and expand product development and distribution opportunities with its operating companies.”

Mackenzie Investments’ interest in China AMC leverages Power Corporation of Canada’s long term presence and investment record in China which includes a 10% ownership in China AMC acquired in 2011.

The proposed transaction is expected to be accretive to IGM Financial’s earnings in the first full year of ownership.

IGM Financial expects to finance the transaction with a combination of existing cash and the issuance of debt and/or preferred shares in the first half of 2017.

The transaction is expected to close in the first half of 2017, and is subject to customary closing conditions, including Chinese regulatory approvals.

BMO Capital Markets acted as financial advisor to IGM Financial on this transaction.

About China Asset Management Co., Ltd.

Founded in 1998 as one of the first fund management companies in China, China Asset Management Co. Ltd. (China AMC) has maintained a market leading position in China’s asset management industry with total AUM of approximately RMB¥1099.7 billion CAD\$215.2 billion at June 30, 2016. The company currently serves over 400 institutional mandates and 40 million retail investors. China AMC boasts one of the industry’s strongest investment teams with over 200 dedicated investment professionals. See Chinaamc.com for more information.

About IGM Financial Inc.

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 approximately CAD\$140 billion in total assets under management at November 30, 2016. Its activities are carried out principally through Investors Group, Mackenzie Investments and Investment Planning Counsel.

A MEMBER OF THE POWER FINANCIAL CORPORATION GROUP OF COMPANIES.

About Mackenzie Investments

Mackenzie Investments was founded in 1967, and is a leading investment management firm providing investment advisory and related services. With CAD\$63.2 billion in assets under management as of November 30, 2016, Mackenzie Investments distributes its investment services through multiple distribution channels to both retail and institutional investors. Mackenzie Investments is a member of the IGM Financial Inc. (TSX: IGM) group of companies.

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***Analyst note:** IGM Financial will be hosting a live conference call and webcast to share additional information about this transaction. Further details will be available on the IGM Financial website in the coming days.*