



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 SECOND QUARTER EARNINGS

Winnipeg – August 3, 2017: IGM Financial Inc. (IGM or the Company) (TSX:IGM) today announced earnings results for the second quarter of 2017.

Net earnings available to common shareholders for the three months ended June 30, 2017 were \$200.8 million or 83 cents per share compared to net earnings available to common shareholders of \$172.9 million or 72 cents per share for the comparative period in 2016. Adjusted net earnings available to common shareholders, excluding other items,¹ for the three months ended June 30, 2017 were \$185.9 million or 77 cents per share.

Net earnings available to common shareholders for the six months ended June 30, 2017 were \$377.9 million or \$1.57 per share compared to net earnings available to common shareholders of \$339.9 million or \$1.40 per share for the comparative period in 2016. Adjusted net earnings available to common shareholders, excluding other items,¹ for the six months ended June 30, 2017 were \$363.0 million or \$1.51 per share.

Revenues for the three months ended June 30, 2017 were \$798.2 million compared to \$744.3 million a year ago. Revenues for the six months ended June 30, 2017 were \$1.59 billion compared to \$1.47 billion a year ago. Expenses were \$532.2 million for the second quarter of 2017 compared to \$521.8 million a year ago and were \$1.10 billion for the six month period compared to \$1.03 billion a year ago.

Total assets under management at June 30, 2017 were \$148.2 billion compared to \$135.1 billion at June 30, 2016. Investment fund assets under management at June 30, 2017 were \$142.9 billion compared to \$128.8 billion at June 30, 2016.

Shareholders' equity at June 30, 2017 was \$4.8 billion, compared to \$4.6 billion as at June 30, 2016. Return on average common equity based on adjusted net earnings for the six months ended June 30, 2017 was 15.6% compared to 15.1% for the comparative period in 2016.

¹ Other items for the three and six months ended June 30, 2017 consisted of:

- Favourable revaluation of the Company's registered pension plan obligation of \$50.4 million (\$36.8 million after-tax), reflecting a new policy related to the granting of benefit increases at the Company's discretion.
- Restructuring and other charges including severance and termination costs largely associated with the reduction of our region office footprint in the quarter of \$23.0 million (\$16.8 million after tax).
- An after-tax charge of \$5.1 million representing the Company's proportionate share in Great-West Lifeco Inc.'s restructuring provision.



IGM FINANCIAL INC.

“IGM’s gross sales in the quarter were \$4.7 billion, an increase of 36% from last year and the highest 2nd quarter sales result in the company’s history. The sales activity came from continuing momentum at both Investors Group and Mackenzie,” said Jeffrey R. Carney, President and Chief Executive Officer of IGM Financial Inc. “This sales result contributed to the company’s all-time high quarter end level of investment fund assets under management of \$142.9 billion.”

INVESTORS GROUP OPERATIONS

“Mutual fund assets under management were at an all time quarter end high of \$84.3 billion,” said Jeffrey R. Carney, President and Chief Executive Officer of Investors Group Inc. “This resulted from mutual fund net sales of \$435 million, the highest 2nd quarter net sales result since 1998.”

Mutual fund sales for the second quarter of 2017 were \$2.4 billion, an increase of 32.6% compared to \$1.8 billion in the prior year.

Mutual fund sales for the six months ended June 30, 2017 were \$5.3 billion, an increase of 30.8% compared to \$4.0 billion in the prior year, and mutual fund net sales were \$1.3 billion compared to net sales of \$299 million a year ago.

The twelve month trailing redemption rate (excluding money market funds) was 8.6% at June 30, 2017, compared to 8.8% at March 31, 2017.

Mutual fund assets under management at June 30, 2017 were \$84.3 billion compared to \$76.2 billion at June 30, 2016. Total assets under management, which include sub-advisory, institutional and other accounts, were \$84.9 billion compared to \$76.6 billion at June 30, 2016.

MACKENZIE OPERATIONS

“Mutual fund gross sales of \$2.3 billion in the quarter increased by 54% compared to last year while net sales were \$552 million, an increase of \$927 million and the highest net sales since 1999,” said Barry McInerney, President and Chief Executive Officer of Mackenzie Investments. “These robust sales resulted in mutual fund assets reaching an all time quarter end high of \$53.6 billion and ETF assets ending the quarter at \$622 million.”

Investment fund sales for the second quarter of 2017 were \$2.3 billion compared to \$1.5 billion in the prior year. Investment fund net sales for the second quarter were \$730 million compared to net redemptions of \$331 million a year ago.²

Investment fund sales for the six months ended June 30, 2017 were \$5.2 billion compared to \$3.3 billion in the prior year. Investment fund net sales for the six month period were \$869 million compared to net redemptions of \$529 million a year ago.²

² During the second quarter of 2017, Investors Group mutual funds made fund allocation changes which resulted in Mackenzie mutual fund net sales of \$105 million.

During the six months ended June 30, 2017, Investors Group mutual funds and certain third party programs which include Mackenzie mutual funds made fund allocation changes which resulted in net redemptions of \$200 million.

Total net sales for the second quarter of 2017 were \$2.1 billion compared to total net redemptions of \$291 million a year ago. Total net sales for the six months ended June 30, 2017 were \$2.6 billion compared to total net redemptions of \$678 million a year ago. Excluding rebalance activities,² total net sales for the second quarter of 2017 were \$2.0 billion and were \$2.8 billion for the six months ended June 30, 2017.

Mackenzie's total assets under management at June 30, 2017 were \$68.6 billion compared to \$61.7 billion at June 30, 2016. Investment fund assets under management at June 30, 2017 were \$54.0 billion compared to \$48.3 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, 2017 to shareholders of record on September 29, 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 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:

- Adjusted net 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 "adjusted net earnings available to common shareholders", "adjusted earnings per share", "adjusted 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.

SECOND QUARTER WEBCAST AND CONFERENCE CALL

IGM financial Inc's Second Quarter 2017 conference call and webcast will be held on Thursday August 3, 2017 at 1:30 P.M. (ET). The webcast and conference call can be accessed respectively through www.igmfinancial.com or by phone at 1-866-223-7781 or 416-340-2216.

The most recent interim unaudited 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.



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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 \$147 billion in total assets under management as of July 31, 2017. 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.

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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	
	2017	2016	2017	2016
Revenues				
Management fees	\$ 547,002	\$ 497,386	\$ 1,074,703	\$ 981,222
Administration fees	111,238	104,328	220,202	204,678
Distribution fees	94,775	96,342	200,035	191,310
Net investment income and other	25,465	22,409	45,222	38,286
Proportionate share of affiliate's earnings	19,758	23,876	47,777	51,684
	798,238	744,341	1,587,939	1,467,180
Expenses				
Commission	284,448	267,128	573,755	528,643
Non-commission	219,075	231,740	465,976	459,607
Interest	28,703	22,913	55,490	45,826
	532,226	521,781	1,095,221	1,034,076
Earnings before income taxes	266,012	222,560	492,718	433,104
Income taxes	62,997	47,457	110,371	88,825
Net earnings	203,015	175,103	382,347	344,279
Perpetual preferred share dividends	2,212	2,212	4,425	4,425
Net earnings available to common shareholders	\$ 200,803	\$ 172,891	\$ 377,922	\$ 339,854
Average number of common shares (in thousands)				
- Basic	240,587	241,071	240,565	242,100
- Diluted	240,840	241,221	240,831	242,197
Earnings per share (in dollars)				
- Basic	\$ 0.83	\$ 0.72	\$ 1.57	\$ 1.40
- Diluted	\$ 0.83	\$ 0.72	\$ 1.57	\$ 1.40

IGM FINANCIAL INC.
Financial Highlights

(unaudited)	For the three months ended June 30			As at and for the six months ended June 30		
	2017	2016	Change	2017	2016	Change
Net earnings available to						
common shareholders (\$ millions)						
Net Earnings	\$ 200.8	\$ 172.9	16.1 %	\$ 377.9	\$ 339.9	11.2 %
Adjusted Net Earnings ⁽¹⁾	185.9	172.9	7.5	363.0	339.9	6.8
Diluted earnings per share						
Net Earnings	0.83	0.72	15.3	1.57	1.40	12.1
Adjusted Net Earnings ⁽¹⁾	0.77	0.72	6.9	1.51	1.40	7.9
Return on equity						
Net Earnings				16.3%	15.1%	
Adjusted Net Earnings ⁽¹⁾				15.6%	15.1%	
Dividends per share	0.5625	0.5625	-	1.125	1.125	-

Total assets under management ⁽²⁾ (\$ millions)	\$ 148,201	\$ 135,115	9.7 %
Investment funds assets under management ⁽³⁾	\$ 142,855	\$ 128,771	10.9 %

Investors Group

Mutual funds	84,306	76,203	
Sub-advisory, institutional and other accounts	567	434	
Total	84,873	76,637	10.7

Mackenzie

Mutual funds	53,622	48,210	
ETFs	622	45	
Investment funds ⁽³⁾	53,962	48,255	
Sub-advisory, institutional and other accounts	14,588	13,412	
Total	68,550	61,667	11.2

Counsel

Mutual funds	4,694	4,316	8.8
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Net Sales

(\$ millions)

	Investors Group	Mackenzie	Counsel	Total ⁽⁴⁾
For the three months ended June 30, 2017				
Mutual funds	\$ 435	\$ 552	\$ (22)	\$ 860
ETFs	-	389	-	389
Investment funds ⁽⁵⁾	435	730	(22)	1,038
Sub-advisory, institutional and other accounts	4	1,405	-	(86)
Total	439	2,135	(22)	952
For the six months ended June 30, 2017				
Mutual funds	\$ 1,325	\$ 628	\$ (5)	\$ 1,843
ETFs	-	503	-	503
Investment funds ⁽⁵⁾	1,325	869	(5)	2,084
Sub-advisory, institutional and other accounts	42	1,694	-	33
Total	1,367	2,563	(5)	2,117

⁽¹⁾ Non-IFRS Financial Measures:

2017 adjusted net earnings excluded:

- An after-tax reduction in non-commission expenses of \$36.8 million related to the Company's pension plan.
- An after-tax charge to non-commission expenses of \$16.8 million related to restructuring and other.
- An after-tax charge of \$5.1 million representing the Company's proportionate share in Great-West Lifeco Inc.'s restructuring provision.

⁽²⁾ Total assets under management excluded \$9.9 billion of assets sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel (\$7.5 billion at June 30, 2016).

⁽³⁾ Investment funds consist of mutual funds and ETFs, excluding Mackenzie mutual fund investments in ETFs of \$282 million at June 30, 2017.

⁽⁴⁾ Total net sales excluded accounts sub-advised by Mackenzie on behalf of Investors Group and Investment Planning Counsel totalling \$1.6 billion for the three month period and \$1.8 billion for the six month period.

⁽⁵⁾ Mackenzie investment fund net sales and total investment fund net sales excluded Mackenzie mutual fund investments in ETFs totalling \$211 million for the three month period and \$262 million for the six month period.