



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 FIRST QUARTER EARNINGS

Winnipeg – May 4, 2018: IGM Financial Inc. (IGM or the Company) (TSX:IGM) today announced earnings results for the first quarter of 2018.

IGM FINANCIAL HIGHLIGHTS

- Net earnings of \$185.5 million or 77 cents per share, compared to \$177.1 million or 74 cents per share in the first quarter of 2017.
- A quarterly common share dividend of \$0.5625 per share was declared in the first quarter of 2018, maintained from the prior quarter.
- Overall net sales in the first quarter were \$1.4 billion, the best first quarter result in the history of the company, and reflects good contribution from each of the operating companies.
- Assets under management of \$155.8 billion were down slightly from the quarter-end record high assets under management of \$156.5 billion at December 31, 2017.

“IGM gained market share in the quarter, with record net sales in a period of financial market volatility where industry net flows were down by nearly 30%,” said Jeffrey R. Carney, President and Chief Executive Officer of IGM Financial Inc.

INVESTORS GROUP OPERATIONS

Strong investment fund sales - Investment fund sales for the first quarter of 2018 were \$2.9 billion and represented the second highest quarterly sales results, down slightly from the first quarter of 2017.

Continuing investment fund net sales momentum - Investment fund net sales of \$784 million for the first quarter of 2018 decreased \$106 million, compared to net sales of \$890 million a year ago.

Strong and improving asset retention - The annualized quarterly redemption rate for long-term funds was 9.0% in the first quarter of 2018, down from 9.2% in the first quarter of 2017.

Assets under management relatively unchanged from all-time high levels - Investment fund assets under management at March 31, 2018 were \$87.1 billion, an increase of 3.8% compared to \$83.9 billion at March 31, 2017, and down slightly from the all-time quarter end high of \$88.0 billion at December 31, 2017.

MACKENZIE OPERATIONS

Investment fund net sales highest quarter since 1999 - Net sales for the first quarter of 2018 were \$768 million, an increase of \$629 million compared to net sales of \$139 million a year ago. ¹

¹ During the first quarter of 2017, certain third party programs which include Mackenzie mutual funds made fund allocation changes which resulted in net redemptions of \$305 million.

Mutual fund net sales increased by \$210 million over 2017 - Mutual fund net sales were \$286 million compared to \$76 million in 2017.

ETF business continued to experience strong growth in the quarter - ETF net creations were \$715 million in the first quarter, including Mackenzie mutual fund investments in ETFs of \$233 million, and assets under management totalled \$2.0 billion at March 31, 2018, an all-time high for the company.

Investment fund assets under management at an all-time quarter end high - Mutual fund assets under management were \$55.6 billion and ETF assets were \$2.0 billion at March 31, 2018, resulting in consolidated investment fund assets under management of \$57.0 billion compared to \$53.1 billion a year ago. Mackenzie's total assets under management at March 31, 2018 were \$65.2 billion compared to \$59.7 billion at March 31, 2017.

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 July 31, 2018 to shareholders of record on June 29, 2018.

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. 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.

FIRST QUARTER WEBCAST AND CONFERENCE CALL

IGM Financial Inc.'s First Quarter 2018 results conference call and webcast will be held on Friday May 4, 2018 at 2:30 p.m. ET. The webcast and conference call can be accessed respectively through www.igmfinancial.com or by phone at **1-800-273-9672** 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.

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 over \$156 billion in total assets under management as of April 30, 2018. 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.

For more information contact:

Media Relations:

Trish Tervit
416-967-2166
trish.tervit@igmfinancial.com

Investor Relations:

Keith Potter
204-956-8119
investor.relations@igmfinancial.com

IGM FINANCIAL INC.
Financial Highlights

As at and for the three months ended March 31
(unaudited)

	2018	2017	Change	
Net earnings available to common shareholders (\$ millions)	\$ 185.5	\$ 177.1	4.7 %	
Diluted earnings per share	0.77	0.74	4.1	
Return on equity	17.5%	15.3%		
Dividends per share	0.5625	0.5625	-	
Total assets under management ⁽¹⁾ (\$ millions)	\$ 155,758	\$ 147,496	5.6 %	
Investment funds assets under management ⁽²⁾	149,203	142,087	5.0	
Investors Group				
Investment funds ⁽³⁾	87,103	83,900	3.8	
Mackenzie				
Mutual funds	55,586	52,934		
ETFs	2,004	234		
Investment funds ⁽²⁾	56,994	53,099		
Sub-advisory, institutional and other accounts	8,167	6,553		
Total	65,161	59,652	9.2	
Investment Planning Counsel				
Investment funds ⁽³⁾	5,452	5,088	7.2	
Net Sales (\$ millions)				
	<u>Investors Group</u>	<u>Mackenzie</u>	<u>Investment Planning Counsel</u>	<u>Total</u> ⁽¹⁾
For the three months ended March 31, 2018				
Mutual funds ⁽³⁾	\$ 784	\$ 286	\$ 48	\$ 1,118
ETFs	-	715	-	474
Investment funds ⁽²⁾	784	768	48	1,359
Sub-advisory, institutional and other accounts	-	229	-	(2)
Total	784	997	48	1,357

⁽¹⁾ Total assets under management (AUM) and net sales eliminate double counting related to Mackenzie advisory mandates to other segments. AUM elimination was \$2.0 billion at March 31, 2018 (2017 - \$1.1 billion) and net sales elimination was \$472 million for the quarter.

⁽²⁾ Investment funds consists of mutual funds and ETFs. Investment fund AUM and net sales eliminate double counting related to Mackenzie mutual fund investments in ETFs. AUM elimination was \$596 million at March 31, 2018 (2017 - \$69 million) and net sales elimination was \$233 million for the quarter.

⁽³⁾ Includes separately managed accounts.

IGM FINANCIAL INC.**Consolidated Statements of Earnings**

<i>(unaudited)</i> <i>(in thousands of Canadian dollars, except shares and per share amounts)</i>	Three months ended March 31	
	2018	2017
Revenues		
Management fees	\$ 556,601	\$ 527,701
Administration fees	107,534	108,964
Distribution fees	93,320	105,260
Net investment income and other	14,209	19,757
Proportionate share of associates' earnings	37,984	28,019
	809,648	789,701
Expenses		
Commission	286,098	289,307
Non-commission	253,145	246,901
Interest	30,264	26,787
	569,507	562,995
Earnings before income taxes	240,141	226,706
Income taxes	52,390	47,374
Net earnings	187,751	179,332
Perpetual preferred share dividends	2,213	2,213
Net earnings available to common shareholders	\$ 185,538	\$ 177,119
Earnings per share (in dollars)		
- Basic	\$ 0.77	\$ 0.74
- Diluted	\$ 0.77	\$ 0.74