



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 2, 2018: IGM Financial Inc. (IGM or the Company) (TSX:IGM) today announced earnings results for the second quarter of 2018.

IGM FINANCIAL HIGHLIGHTS

- Net earnings of \$203.7 million or 85 cents per share compared to net earnings of \$200.8 million or 83 cents per share in the second quarter of 2017.
- Adjusted net earnings of \$203.7 million or 85 cents per share compared to adjusted net earnings, excluding other items,¹ of \$185.9 million or 77 cents per share in the second quarter of 2017. This was the highest second quarter adjusted net earnings in the Company's history.
- A quarterly common share dividend of \$0.5625 per share was declared in the second quarter of 2018, maintained from the prior quarter.
- Record high assets under management at June 30, 2018 were \$159.1 billion, an increase of 2.2% in the quarter and 7.1% from the prior year driven by favourable investment returns.
- Investment fund net sales were \$171 million, the second best second quarter result in a decade.

"IGM finished the quarter with a record high assets under management of \$159.1 billion. This was the result of strong client returns in the quarter combined with second quarter investment fund net sales of \$171 million, in a period of slower industry sales activity," said Jeffrey R. Carney, President and Chief Executive Officer of IGM Financial Inc.

Net earnings available to common shareholders for the three months ended June 30, 2018 were \$203.7 million or 85 cents per share compared to \$200.8 million or 83 cents per share for the comparative period in 2017. Adjusted net earnings available to common shareholders for the three months ended June 30, 2018 were \$203.7 million or 85 cents per share compared to adjusted net earnings available to common shareholders, excluding other items,¹ of \$185.9 million or 77 cents per share for the comparative period in 2017.

Net earnings available to common shareholders for the six months ended June 30, 2018 were \$389.2 million or \$1.61 per share compared to \$377.9 million or \$1.57 per share for 2017. Adjusted net earnings available to common shareholders for the six months ended June 30, 2018 were \$389.2 million or \$1.61 per share compared to adjusted net earnings available to common shareholders, excluding other items,¹ of \$363.0 million or \$1.51 per share for 2017.

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

- Favourable revaluation of the Company's registered pension plan obligation of \$36.8 million after-tax (\$50.4 million pre-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 of \$16.8 million after-tax (\$23.0 million pre-tax).
- An after-tax charge of \$5.1 million representing the Company's proportionate share in Great-West Lifeco Inc.'s restructuring provision.

INVESTORS GROUP OPERATIONS

Strong investment fund sales - Investment fund sales for the second quarter of 2018 were \$2.1 billion, one of the best second quarter sales results, down 11.6% from the second quarter of 2017. Investment fund sales for the six months ended June 30, 2018 were \$4.9 billion, a decrease of 6.5% compared to \$5.3 billion in the prior year.

Investment fund net sales - Investment fund net redemptions of \$110 million for the second quarter of 2018 decreased \$545 million, compared to net sales of \$435 million a year ago. Investment fund net sales for the six month period were \$674 million compared to net sales of \$1.3 billion a year ago.

Asset retention - The annualized quarterly redemption rate for long-term funds was 9.3% in the second quarter of 2018, up from 8.4% in the second quarter of 2017.

Assets under management at an all-time high level - Investment fund assets under management at June 30, 2018 were \$88.8 billion, an increase of 5.3% compared to \$84.3 billion at June 30, 2017.

MACKENZIE OPERATIONS

Investment fund net sales - Net sales for the second quarter of 2018 were \$447 million,² a decrease of \$178 million compared to net sales of \$625 million a year ago. Net sales for the six month period were \$1.2 billion² compared to net sales of \$764 million a year ago.³

Mutual fund sales highest second quarter - Mutual fund sales for the second quarter were \$2.7 billion,² compared to \$2.2 billion in 2017. Mutual fund net sales for the second quarter were \$30 million² compared to \$447 million in 2017.³

ETF business continued to experience strong growth in the quarter - ETF net creations were \$570 million in the second quarter, including Mackenzie mutual fund investments in ETFs of \$153 million, and assets under management totalled \$2.6 billion at June 30, 2018, an all-time high for the company.

Investment fund assets under management at an all-time high - Mutual fund assets under management were \$56.8 billion and ETF assets were \$2.6 billion at June 30, 2018, resulting in consolidated investment fund assets under management of \$58.7 billion compared to \$53.9 billion a year ago. Mackenzie's total assets under management at June 30, 2018 were \$67.0 billion compared to \$60.4 billion at June 30, 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 October 31, 2018 to shareholders of record on September 28, 2018.

² During the second quarter of 2018, certain third party programs which include Mackenzie mutual funds made fund allocation changes which resulted in sales of \$381 million and net redemptions of \$133 million.

³ During the first quarter of 2017, certain third party programs which include Mackenzie mutual funds made fund allocation changes which resulted in sales of \$313 million and net redemptions of \$305 million.

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 2018 results conference call and webcast will be held on Thursday August 2, 2018 at 1:30 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 **416-340-2218**.

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 \$160 billion in total assets under management as of July 31, 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.**Consolidated Statements of Earnings***(unaudited)**(in thousands of Canadian dollars,
except shares and per share amounts)*

	Three months ended June 30		Six months ended June 30	
	2018	2017	2018	2017
Revenues				
Management fees	\$ 562,781	\$ 547,002	\$ 1,119,382	\$ 1,074,703
Administration fees	107,123	111,238	214,657	220,202
Distribution fees	89,897	94,775	183,217	200,035
Net investment income and other	18,577	25,465	32,786	45,222
Proportionate share of associates' earnings	37,583	19,758	75,567	47,777
	815,961	798,238	1,625,609	1,587,939
Expenses				
Commission	270,164	284,448	556,262	573,755
Non-commission	252,627	219,075	505,772	465,976
Interest	28,770	28,703	59,034	55,490
	551,561	532,226	1,121,068	1,095,221
Earnings before income taxes	264,400	266,012	504,541	492,718
Income taxes	58,483	62,997	110,873	110,371
Net earnings	205,917	203,015	393,668	382,347
Perpetual preferred share dividends	2,212	2,212	4,425	4,425
Net earnings available to common shareholders	\$ 203,705	\$ 200,803	\$ 389,243	\$ 377,922
Earnings per share (in dollars)				
- Basic	\$ 0.85	\$ 0.83	\$ 1.62	\$ 1.57
- Diluted	\$ 0.85	\$ 0.83	\$ 1.61	\$ 1.57

IGM FINANCIAL INC.
Financial Highlights

(unaudited)	For the three months ended June 30			As at and for the six months ended June 30			
	2018	2017	Change	2018	2017	Change	
Net earnings available to							
common shareholders (\$ millions)							
Net Earnings	\$ 203.7	\$ 200.8	1.4 %	\$ 389.2	\$ 377.9	3.0 %	
Adjusted Net Earnings ⁽¹⁾	203.7	185.9	9.6	389.2	363.0	7.2	
Diluted earnings per share							
Net Earnings	0.85	0.83	2.4	1.61	1.57	2.5	
Adjusted Net Earnings ⁽¹⁾	0.85	0.77	10.4	1.61	1.51	6.6	
Return on equity							
Net Earnings				18.2%	16.3%		
Adjusted Net Earnings ⁽¹⁾				18.2%	15.6%		
Dividends per share	0.5625	0.5625	-	1.125	1.125	-	
Total assets under management ⁽²⁾ (\$ millions)				\$ 159,129	\$ 148,644	7.1 %	
Investment funds assets under management ⁽³⁾				\$ 152,477	\$ 143,298	6.4 %	
Investors Group							
Investment funds ⁽⁴⁾				88,762	84,306	5.3	
Mackenzie							
Mutual funds				56,842	53,516		
ETFs				2,600	622		
Investment funds ⁽³⁾				58,692	53,856		
Sub-advisory, institutional and other accounts				8,261	6,508		
Total				66,953	60,364	10.9	
Investment Planning Counsel							
Investment funds ⁽⁴⁾				5,562	5,136	8.3	
Net Sales							
(\$ millions)				Investors Group	Mackenzie	Counsel	Total ⁽²⁾
For the three months ended June 30, 2018							
Mutual funds ⁽⁴⁾				\$ (110)	\$ 30	\$ 5	\$ (75)
ETFs				-	570	-	399
Investment funds ⁽³⁾				(110)	447	5	171
Sub-advisory, institutional and other accounts				-	(97)	-	(90)
Total				(110)	350	5	81
For the six months ended June 30, 2018							
Mutual funds ⁽⁴⁾				\$ 674	\$ 316	\$ 53	\$ 1,043
ETFs				-	1,285	-	873
Investment funds ⁽³⁾				674	1,215	53	1,530
Sub-advisory, institutional and other accounts				-	132	-	(92)
Total				674	1,347	53	1,438

⁽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 (AUM) and net sales eliminate double counting related to Mackenzie advisory mandates to other segments. AUM elimination was \$2.1 billion at June 30, 2018 (2017 - \$1.2 billion) and net sales elimination was \$164 million for the quarter and \$636 million for the six month period.

⁽³⁾ 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 \$750 million at June 30, 2018 (2017 - \$282 million) and net sales elimination was \$153 million for the quarter and \$386 million for the six month period.

⁽⁴⁾ Includes separately managed accounts.