



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 THIRD QUARTER EARNINGS

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

IGM HIGHLIGHTS

- Net earnings of \$198.2 million or 82 cents per share compared to net earnings of \$173.4 million or 72 cents per share in the third quarter of 2017.
- Adjusted net earnings, excluding other items,¹ of \$222.7 million or 92 cents per share compared to adjusted net earnings of \$173.4 million or 72 cents per share in the third quarter of 2017. This was the highest quarterly adjusted net earnings in the Company's history.
- A quarterly common share dividend of \$0.5625 per share was declared in the third quarter of 2018, maintained from the prior quarter.
- Record high quarter end assets under management at September 30, 2018 were \$159.7 billion, an increase of 0.4% in the quarter and 6.5% from the prior year driven by favourable investment returns.
- Investment fund net sales were \$137 million, representing market share gains in a period of slower industry sales activity.
- The Company has rebranded Investors Group as IG Wealth Management, reflecting its central focus on helping clients grow their wealth and has launched the IG Living Plan™, a holistic, client-centric approach to financial planning that reflects the evolving needs, goals and aspirations of Canadian families and individuals.

"IGM is well-positioned for the future as our transformation efforts build momentum," said Jeffrey R. Carney, President and Chief Executive Officer of IGM Financial Inc. "Both IG Wealth Management and Mackenzie Investments continue to gain market share."

Net earnings available to common shareholders for the three months ended September 30, 2018 were \$198.2 million or 82 cents per share compared to \$173.4 million or 72 cents per share for the comparative period in 2017. Adjusted net earnings available to common shareholders, excluding other items,¹ for the three months ended September 30, 2018 were \$222.7 million or 92 cents per share compared to \$173.4 million or 72 cents per share for the comparative period in 2017.

Net earnings available to common shareholders for the nine months ended September 30, 2018 were \$587.4 million or \$2.44 per share compared to \$551.3 million or \$2.29 per share for 2017. Adjusted net earnings available to common shareholders, excluding other items,¹ for the nine months ended

¹ Other items for the three and nine months ended September 30, 2018 included:

- Restructuring and other charges of \$16.7 million after-tax (\$22.7 million pre-tax) resulting from the re-engineering of North American equity offerings and associated personnel changes, as well as other initiatives to improve the Company's offerings and operational effectiveness.
- A premium of \$7.8 million after-tax (\$10.7 million pre-tax) paid on the early redemption of the 7.35% debentures on August 10, 2018.

September 30, 2018 were \$611.9 million or \$2.54 per share compared to adjusted net earnings available to common shareholders, excluding other items,² of \$536.4 million or \$2.23 per share for 2017.

IG WEALTH MANAGEMENT

Strong investment fund sales - Investment fund sales for the third quarter of 2018 were \$2.0 billion, one of the best third quarter sales results, down 3.6% from the third quarter of 2017. Investment fund sales for the nine months ended September 30, 2018 were \$7.0 billion, a decrease of 5.7% compared to \$7.4 billion in the prior year.

Investment fund net sales - Investment fund net redemptions of \$64 million for the third quarter of 2018 decreased \$351 million, compared to net sales of \$287 million a year ago. Investment fund net sales for the nine month period were \$610 million compared to net sales of \$1.6 billion a year ago.

Asset retention - The annualized quarterly redemption rate for long-term funds was 8.7% in the third quarter of 2018, up from 7.9% in the third quarter of 2017.

Assets under management at an all-time quarter end high - Investment fund assets under management at September 30, 2018 were \$89.0 billion, an increase of 4.4% compared to \$85.2 billion at September 30, 2017.

MACKENZIE INVESTMENTS

Investment fund net sales - Net sales for the third quarter of 2018 were \$258 million,³ a decrease of \$281 million compared to net sales of \$539 million a year ago. Net sales for the nine month period were \$1.5 billion³ compared to net sales of \$1.3 billion a year ago.⁴

Mutual fund sales highest third quarter - Mutual fund sales for the third quarter were \$2.3 billion,³ the best third quarter in Mackenzie's history, compared to \$1.8 billion in 2017. Mutual fund net redemptions for the third quarter were \$57 million³ compared to net sales of \$305 million in 2017.⁴

ETF business continued to experience strong growth in the quarter - ETF net creations were \$377 million in the third quarter, including Mackenzie mutual fund investments in ETFs of \$62 million, and assets under management totalled \$3.0 billion at September 30, 2018, an all-time high for the company.

² Other items for the nine months ended September 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.

³ During the third quarter of 2018, an institutional client, which includes Mackenzie mutual funds within its investment offerings, made fund allocation changes which resulted in net redemptions of \$265 million.

During the nine months ended September 30, 2018, institutional clients, which include Mackenzie mutual funds within their investment offerings, made fund allocation changes which resulted in sales of \$409 million and net redemptions of \$398 million.

⁴ During the nine months ended September 30, 2017, institutional clients, which include Mackenzie mutual funds within their investment offerings, made fund allocation changes which resulted in sales of \$313 million and net redemptions of \$305 million.

Investment fund assets under management at an all-time quarter end high - Mutual fund assets under management were \$57.3 billion and ETF assets were \$3.0 billion at September 30, 2018, resulting in consolidated investment fund assets under management of \$59.5 billion compared to \$54.2 billion a year ago. Mackenzie's total assets under management at September 30, 2018 were \$67.3 billion compared to \$60.8 billion at September 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 January 31, 2019 to shareholders of record on December 31, 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. 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.

THIRD QUARTER WEBCAST AND CONFERENCE CALL

IGM Financial Inc.'s Third Quarter 2018 results conference call and webcast will be held on Friday November 2, 2018 at 3:00 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.



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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 \$153 billion in total assets under management as of October 31, 2018. Its activities are carried out principally through IG Wealth Management, 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 per share amounts)</i>	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
Revenues				
Management fees	\$ 573,825	\$ 541,836	\$ 1,693,207	\$ 1,616,539
Administration fees	109,054	109,126	323,711	329,328
Distribution fees	93,344	89,855	276,561	289,890
Net investment income and other	15,974	7,644	48,760	52,866
Proportionate share of associates' earnings	39,793	24,875	115,360	72,652
	831,990	773,336	2,457,599	2,361,275
Expenses				
Commission	270,073	275,996	826,335	849,751
Non-commission	268,676	238,792	774,448	704,768
Interest	37,703	28,949	96,737	84,439
	576,452	543,737	1,697,520	1,638,958
Earnings before income taxes	255,538	229,599	760,079	722,317
Income taxes	55,172	54,026	166,045	164,397
Net earnings	200,366	175,573	594,034	557,920
Perpetual preferred share dividends	2,213	2,213	6,638	6,638
Net earnings available to common shareholders	\$ 198,153	\$ 173,360	\$ 587,396	\$ 551,282
Earnings per common share (in dollars)				
- Basic	\$ 0.82	\$ 0.72	\$ 2.44	\$ 2.29
- Diluted	\$ 0.82	\$ 0.72	\$ 2.44	\$ 2.29

IGM FINANCIAL INC.
Financial Highlights

(unaudited)	For the three months ended September 30			As at and for the nine months ended September 30		
	2018	2017	Change	2018	2017	Change
Net earnings available to common shareholders (\$ millions)						
Net Earnings	\$ 198.2	\$ 173.4	14.3 %	\$ 587.4	\$ 551.3	6.5 %
Adjusted Net Earnings ⁽¹⁾	222.7	173.4	28.4	611.9	536.4	14.1
Diluted earnings per share						
Net Earnings	0.82	0.72	13.9	2.44	2.29	6.6
Adjusted Net Earnings ⁽¹⁾	0.92	0.72	27.8	2.54	2.23	13.9
Return on equity						
Net Earnings				18.2%	15.7%	
Adjusted Net Earnings ⁽¹⁾				18.9%	15.3%	
Dividends per share	0.5625	0.5625	-	1.6875	1.6875	-
Total assets under management ⁽²⁾ (\$ millions)				\$ 159,714	\$ 150,015	6.5 %
Investment funds assets under management ⁽³⁾				153,430	144,619	6.1
IG Wealth Management						
Investment funds ⁽⁴⁾				88,992	85,226	4.4
Mackenzie						
Mutual funds				57,343	53,643	
ETFs				2,963	906	
Mutual fund investment in ETFs				(813)	(333)	
Investment funds ⁽³⁾				59,493	54,216	
Sub-advisory, institutional and other accounts				7,854	6,624	
Total				67,347	60,840	10.7
Investment Planning Counsel						
Investment funds ⁽⁴⁾				5,532	5,177	6.9
Net Sales						
(\$ millions)						
	IG Wealth Management	Mackenzie	Investment Planning Counsel	Intercompany Eliminations	Total ⁽²⁾	
For the three months ended September 30, 2018						
Mutual funds ⁽⁴⁾	\$ (64)	\$ (57)	\$ (6)	\$ -	\$ (127)	
ETFs	-	377	-	-	377	
Mutual fund investment in ETFs	-	(62)	-	(51)	(113)	
Investment funds ⁽³⁾	(64)	258	(6)	(51)	137	
Sub-advisory, institutional and other accounts	-	(395)	-	32	(363)	
Total	(64)	(137)	(6)	(19)	(226)	
For the nine months ended September 30, 2018						
Mutual funds ⁽⁴⁾	\$ 610	\$ 259	\$ 47	\$ -	\$ 916	
ETFs	-	1,662	-	-	1,662	
Mutual fund investment in ETFs	-	(448)	-	(463)	(911)	
Investment funds ⁽³⁾	610	1,473	47	(463)	1,667	
Sub-advisory, institutional and other accounts	-	(263)	-	(192)	(455)	
Total	610	1,210	47	(655)	1,212	

⁽¹⁾ Non-IFRS Financial Measures:

Adjusted net earnings for the three and nine months ended September 30, 2018 excluded:

- An after-tax charge to non-commission expenses of \$16.7 million related to restructuring and other.
- An after-tax charge of \$7.8 million representing a premium paid on the early redemption of the \$375 million debentures.

Adjusted net earnings for the nine months ended September 30, 2017 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 \$2.2 billion at September 30, 2018 (2017 - \$1.2 billion) and net sales elimination was \$19 million for the quarter and \$655 million for the nine 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 \$813 million at September 30, 2018 (2017 - \$333 million) and net sales elimination was \$62 million for the quarter and \$448 million for the nine month period.

⁽⁴⁾ Includes separately managed accounts.