



# 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 FIRST QUARTER EARNINGS

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**Winnipeg – May 3, 2019:** IGM Financial Inc. (IGM or the Company) (TSX:IGM) today announced earnings results for the first quarter of 2019.

### **IGM HIGHLIGHTS**

- Net earnings of \$167.5 million or 70 cents per share compared to \$185.5 million or 77 cents per share in the first quarter 2018.
- A quarterly common share dividend of \$0.5625 per share was declared in the first quarter of 2019, maintained from the prior quarter.
- Record high quarter end assets under management at March 31, 2019 were \$160.5 billion, an increase of 7.6% in the quarter and 3.0% from the prior year driven by favourable investment returns.
- Investment fund net sales were \$260 million for the first quarter.

“Significant investment returns earned by our clients in the quarter, combined with investment fund net sales of \$260 million in a period of slower industry sales activity, resulted in record high quarter end assets under management of \$160.5 billion,” said Jeffrey R. Carney, President and Chief Executive Officer of IGM Financial Inc.

### **IG WEALTH MANAGEMENT**

**Investment fund sales** - Investment fund sales for the first quarter of 2019 were \$2.4 billion, down 17.8% from \$2.9 billion in 2018.

**Investment fund net sales** - Investment fund net redemptions for the first quarter were \$14 million compared to net sales of \$784 million a year ago.

**Asset retention** - The annualized quarterly redemption rate for long-term funds was 10.4% in the first quarter of 2019, up from 9.7% in the fourth quarter of 2018.

**Assets under management at an all-time quarter end high** - Investment fund assets under management at March 31, 2019 were \$89.4 billion, an increase from \$83.1 billion at December 31, 2018 and from \$87.1 billion at March 31, 2018.

### **MACKENZIE INVESTMENTS**

**Mutual fund sales** - Mutual fund sales for the first quarter were \$2.5 billion compared to \$2.6 billion in 2018. Mutual fund net sales for the first quarter were \$148 million compared to net sales of \$286 million in 2018.

**Investment fund net sales** - Net sales for the first quarter were \$376 million compared to net sales of \$768 million a year ago.

**ETF business** - ETF net creations were \$228 million in the first quarter and assets under management totalled \$3.3 billion at March 31, 2019, up from \$2.9 billion at December 31, 2018 and \$2.0 billion at March 31, 2018.

**Investment fund assets under management at an all-time high** - Mutual fund assets under management were \$57.7 billion and ETF assets were \$3.3 billion at March 31, 2019, resulting in consolidated investment fund assets under management of \$60.1 billion compared to \$55.5 billion at December 31, 2018 and \$57.0 billion a year ago. Mackenzie's total assets under management at March 31, 2019 were \$67.8 billion, an increase from \$62.7 billion at December 31, 2018 and from \$65.2 billion at March 31, 2018.

#### **DIVIDENDS**

The Board of Directors has declared a dividend of 56.25 cents per share on the Company's common shares which is payable on July 31, 2019 to shareholders of record on June 28, 2019.

#### **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](http://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.*

#### **FIRST QUARTER WEBCAST AND CONFERENCE CALL**

IGM Financial Inc.'s First Quarter 2019 results conference call and webcast will be held on Friday May 3, 2019 at 2:30 p.m. ET. The webcast and conference call can be accessed respectively through [www.igmfinancial.com](http://www.igmfinancial.com) or by phone at 1-800-458-4121 or 647-484-0477.

The most recent 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](http://www.igmfinancial.com).



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**About IGM Financial Inc.**

*IGM Financial Inc. is one of Canada's leading diversified wealth and asset management companies with approximately \$164 billion in total assets under management at April 30, 2019. The company's network of advisors provides a broad range of financial and investment planning services to help more than two million Canadians meet their financial goals. 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, except per share amounts)</i>	Three months ended March 31	
	2019	2018
<b>Revenues</b>		
Management fees	\$ 545,224	\$ 556,601
Administration fees	101,699	107,534
Distribution fees	89,274	93,320
Net investment income and other	20,233	14,209
Proportionate share of associates' earnings	32,650	37,984
	<b>789,080</b>	<b>809,648</b>
<b>Expenses</b>		
Commission	274,666	286,098
Non-commission	274,438	253,145
Interest	25,216	30,264
	<b>574,320</b>	<b>569,507</b>
Earnings before income taxes	214,760	240,141
Income taxes	45,044	52,390
<b>Net earnings</b>	<b>169,716</b>	<b>187,751</b>
Perpetual preferred share dividends	2,213	2,213
<b>Net earnings available to common shareholders</b>	<b>\$ 167,503</b>	<b>\$ 185,538</b>
Earnings per share (in dollars)		
- Basic	\$ 0.70	\$ 0.77
- Diluted	\$ 0.70	\$ 0.77

**IGM FINANCIAL INC.****Financial Highlights**

As at and for the three months ended March 31

*(unaudited)*

	2019	2018	Change
<b>Net earnings available to common shareholders (\$ millions)</b>	<b>\$ 167.5</b>	\$ 185.5	(9.7) %
<b>Diluted earnings per share</b>	<b>0.70</b>	0.77	(9.1)
<b>Return on equity</b>	<b>15.2%</b>	17.5%	
<b>Dividends per share</b>	<b>0.5625</b>	0.5625	-

<b>Total assets under management <sup>(1)</sup> (\$ millions)</b>	<b>\$ 160,467</b>	\$ 155,758	3.0 %
<b>Investment funds assets under management <sup>(2)</sup></b>	<b>154,335</b>	149,203	3.4
<b>IG Wealth Management</b>			
<b>Investment funds <sup>(3)</sup></b>	<b>89,411</b>	87,103	2.6
<b>Mackenzie</b>			
Mutual funds	57,694	55,586	
ETFs	3,330	2,004	
Inter-product eliminations	(898)	(596)	
Investment funds <sup>(2)</sup>	60,126	56,994	
Sub-advisory, institutional and other accounts	7,650	8,167	
<b>Total</b>	<b>67,776</b>	65,161	4.0
<b>Investment Planning Counsel</b>			
<b>Investment funds <sup>(3)</sup></b>	<b>5,426</b>	5,452	(0.5)

**Net Sales***(\$ millions)*

	IG Wealth Management	Mackenzie	Investment Planning Counsel	Intercompany Eliminations	Total <sup>(1)</sup>
For the three months ended March 31, 2019					
Mutual funds <sup>(3)</sup>	\$ (14)	\$ 148	\$ (16)	\$ -	\$ 118
ETFs	-	228	-	-	228
Inter-product eliminations	-	-	-	(86)	(86)
<b>Investment funds <sup>(2)</sup></b>	<b>(14)</b>	<b>376</b>	<b>(16)</b>	<b>(86)</b>	<b>260</b>
Sub-advisory, institutional and other accounts	-	(103)	-	(4)	(107)
<b>Total</b>	<b>(14)</b>	<b>273</b>	<b>(16)</b>	<b>(90)</b>	<b>153</b>

<sup>(1)</sup> 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 March 31, 2019 (2018 - \$2.0 billion) and net sales elimination was \$90 million for the quarter.

<sup>(2)</sup> 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 \$898 million at March 31, 2019 (2018 - \$596 million).

<sup>(3)</sup> Includes separately managed accounts.