



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 FOURTH QUARTER AND 2018 EARNINGS

Winnipeg – February 8, 2019: IGM Financial Inc. (IGM or the Company) (TSX:IGM) today announced earnings results for the fourth quarter of 2018 and for the year ended December 31, 2018.

IGM HIGHLIGHTS

- Annual net earnings of \$767.3 million or \$3.18 per share compared to \$601.9 million or \$2.50 per share in 2017.
- Annual adjusted net earnings, excluding other items,^{1,2} of \$791.8 million or \$3.29 per share compared to \$727.8 million or \$3.02 per share in 2017. Adjusted earnings per share in 2018 represented the highest annual results in the Company's history.
- Fourth quarter net earnings of \$179.9 million or 75 cents per share compared to net earnings of \$50.6 million or 21 cents per share in the fourth quarter of 2017. Adjusted net earnings in the fourth quarter of 2017, excluding other items,² were \$191.4 million or 79 cents.
- A quarterly common share dividend of \$0.5625 per share was declared in the fourth quarter of 2018, maintained from the prior quarter.
- Assets under management at December 31, 2018 were \$149.1 billion, a decrease of 6.7% in the quarter and 4.8% from the prior year primarily due to negative investment returns consistent with industry results.
- Investment fund net redemptions were \$225 million for the fourth quarter, representing market share gains in a period of slower industry sales activity.

"IGM continued its growth momentum with positive net sales at both IG Wealth Management and Mackenzie Investments in 2018 and the highest annual gross sales in the history of IGM, as well as the second consecutive year of market share gains," said Jeffrey R. Carney, President and Chief Executive Officer of IGM Financial Inc. "These results were achieved in a year of significant market volatility and significantly lower industry net sales."

Net earnings available to common shareholders for the three months ended December 31, 2018 were \$179.9 million or 75 cents per share compared to \$50.6 million or 21 cents per share for the comparative period in 2017. Adjusted net earnings available to common shareholders for the three months ended December 31, 2018 were \$179.9 million or 75 cents per share compared to adjusted net earnings available to common shareholders, excluding other items,² of \$191.4 million or 79 cents per share for the comparative period in 2017.

Net earnings available to common shareholders for the year ended December 31, 2018 were \$767.3 million or \$3.18 per share compared to \$601.9 million or \$2.50 per share for 2017. Adjusted net earnings available to common shareholders, excluding other items,^{1,2} for the year ended December 31, 2018 were \$791.8 million or \$3.29 per share compared to \$727.8 million or \$3.02 per share for 2017.

IG WEALTH MANAGEMENT

Strong investment fund sales - Investment fund sales for the year were \$9.1 billion, the 2nd best annual sales results ever, down 6.4% from 2017. Investment fund sales for the fourth quarter of 2018 were \$2.1 billion, a decrease of 8.5% from the fourth quarter of 2017.

Investment fund net sales - Investment fund net sales for the twelve month period were \$485 million compared to net sales of \$1.9 billion a year ago, in the context of the lowest industry total investment net sales since 2010. Investment fund net redemptions of \$125 million for the fourth quarter of 2018 decreased \$457 million, compared to net sales of \$332 million a year ago.

Asset retention - The annualized quarterly redemption rate for long-term funds was 9.7% in the fourth quarter of 2018, up from 8.3% in the fourth quarter of 2017.

Assets under management - Investment fund assets under management at December 31, 2018 were \$83.1 billion, a decrease of 5.5% compared to \$88.0 billion at December 31, 2017.

MACKENZIE INVESTMENTS

Mutual fund sales highest fourth quarter - Mutual fund sales for the fourth quarter were \$2.3 billion, the best fourth quarter in Mackenzie's history, compared to \$2.2 billion in 2017. Mutual fund net redemptions for the fourth quarter were \$146 million compared to net sales of \$137 million in 2017.

Investment fund net sales - Net sales for the twelve month period were \$1.4 billion³ compared to net sales of \$1.8 billion⁴ a year ago. Net redemptions for the fourth quarter of 2018 were \$91 million, a decrease of \$568 million compared to net sales of \$477 million a year ago.

ETF business - ETF net creations were \$137 million in the fourth quarter, including Mackenzie mutual fund investments in ETFs of \$82 million, and assets under management totalled \$2.9 billion at December 31, 2018, up from \$1.3 billion in 2017.

Investment fund assets under management - Mutual fund assets under management were \$53.4 billion and ETF assets were \$2.9 billion at December 31, 2018, resulting in consolidated investment fund assets under management of \$55.5 billion compared to \$56.5 billion a year ago. Mackenzie's total assets under management at December 31, 2018 were \$62.7 billion compared to \$64.5 billion at December 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 April 30, 2019 to shareholders of record on March 29, 2019.

- ¹ Other items for the twelve months ended December 31, 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.
- ² Other items for the three and twelve months ended December 31, 2017 included:
- Restructuring and other charges of \$126.8 million after-tax (\$172.3 million pre-tax) resulting from efforts in respect of the implementation of a number of initiatives to assist in the Company's operational efforts.
 - An after-tax charge of \$14.0 million representing the Company's proportionate share in Great-West Lifeco Inc.'s charges related to the impact of United States tax reforms and the pending sale of an equity investment.
- Other items for the twelve months ended December 31, 2017 also 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 twelve months ended December 31, 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 twelve months ended December 31, 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.

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.

FOURTH QUARTER WEBCAST AND CONFERENCE CALL

IGM Financial Inc.'s Fourth Quarter 2018 results conference call and webcast will be held on Friday February 8, 2019 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 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 \$154 billion in total assets under management as of January 31, 2019. 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 December 31		Twelve months ended December 31	
	2018	2017	2018	2017
Revenues				
Management fees	\$ 545,975	\$ 564,425	\$ 2,239,182	\$ 2,180,964
Administration fees	103,382	110,372	427,093	439,700
Distribution fees	94,345	95,179	370,906	385,069
Net investment income and other	13,168	(263)	61,928	52,603
Proportionate share of associates' earnings	34,602	23,022	149,962	95,674
	791,472	792,735	3,249,071	3,154,010
Expenses				
Commission	272,308	292,816	1,098,643	1,142,567
Non-commission	269,034	407,866	1,043,482	1,112,634
Interest	24,122	29,718	120,859	114,157
	565,464	730,400	2,262,984	2,369,358
Earnings before income taxes	226,008	62,335	986,087	784,652
Income taxes	43,874	9,490	209,919	173,887
Net earnings	182,134	52,845	776,168	610,765
Perpetual preferred share dividends	2,212	2,212	8,850	8,850
Net earnings available to common shareholders	\$ 179,922	\$ 50,633	\$ 767,318	\$ 601,915
Earnings per common share (in dollars)				
- Basic	\$ 0.75	\$ 0.21	\$ 3.19	\$ 2.50
- Diluted	\$ 0.75	\$ 0.21	\$ 3.18	\$ 2.50

IGM FINANCIAL INC.
Financial Highlights

(unaudited)	For the three months ended December 31			As at and for the twelve months ended December 31		
	2018	2017	Change	2018	2017	Change
Net earnings available to common shareholders (\$ millions)						
Net Earnings	\$ 179.9	\$ 50.6	255.5 %	\$ 767.3	\$ 601.9	27.5 %
Adjusted Net Earnings ⁽¹⁾	179.9	191.4	(6.0)	791.8	727.8	8.8
Diluted earnings per share						
Net Earnings	0.75	0.21	257.1	3.18	2.50	27.2
Adjusted Net Earnings ⁽¹⁾	0.75	0.79	(5.1)	3.29	3.02	8.9
Return on equity						
Net Earnings				17.7%	12.9%	
Adjusted Net Earnings ⁽¹⁾				18.2%	15.6%	
Dividends per share						
	0.5625	0.5625	-	2.25	2.25	-
Total assets under management ⁽²⁾ (\$ millions)				\$ 149,066	\$ 156,513	(4.8) %
Investment funds assets under management ⁽³⁾				143,282	149,818	(4.4)
IG Wealth Management						
Investment funds ⁽⁴⁾						
				83,137	88,008	(5.5)
Mackenzie						
Mutual funds				53,407	55,615	
ETFs				2,949	1,296	
Mutual fund investment in ETFs				(848)	(368)	
Investment funds ⁽³⁾				55,508	56,543	
Sub-advisory, institutional and other accounts				7,220	7,966	
Total				62,728	64,509	(2.8)
Investment Planning Counsel						
Investment funds ⁽⁴⁾						
				5,125	5,377	(4.7)
Net Sales						
(\$ millions)	IG Wealth Management	Mackenzie	Investment Planning Counsel	Intercompany Eliminations	Total ⁽²⁾	
For the three months ended December 31, 2018						
Mutual funds ⁽⁴⁾	\$ (125)	\$ (146)	\$ (65)	\$ -	\$ (336)	
ETFs	-	137	-	-	137	
Mutual fund investment in ETFs	-	(82)	-	56	(26)	
Investment funds ⁽³⁾	(125)	(91)	(65)	56	(225)	
Sub-advisory, institutional and other accounts	-	(224)	-	75	(149)	
Total	(125)	(315)	(65)	131	(374)	
For the twelve months ended December 31, 2018						
Mutual funds ⁽⁴⁾	\$ 485	\$ 113	\$ (18)	\$ -	\$ 580	
ETFs	-	1,799	-	-	1,799	
Mutual fund investment in ETFs	-	(530)	-	(407)	(937)	
Investment funds ⁽³⁾	485	1,382	(18)	(407)	1,442	
Sub-advisory, institutional and other accounts	-	(487)	-	(117)	(604)	
Total	485	895	(18)	(524)	838	

⁽¹⁾ Non-IFRS Financial Measures:

2018 annual adjusted net earnings 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.

2017 adjusted net earnings excluded:

- An after-tax charge to expenses of \$126.8 million, recorded in the fourth quarter, related to restructuring and other.
- An after-tax charge to non-commission expenses of \$16.8 million, recorded in the second quarter, related to restructuring and other.
- An after-tax reduction in non-commission expenses of \$36.8 million, recorded in the second quarter, related to the Company's pension plan.
- An after-tax charge of \$14.0 million, recorded in the fourth quarter, representing the Company's proportionate share in Great-West Lifeco Inc.'s charges related to the impact of United States tax reforms and the pending sale of an equity investment.
- An after-tax charge of \$5.1 million, recorded in the second quarter, 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 \$1.9 billion at December 31, 2018 (2017 - \$1.4 billion) and net sales elimination was (\$131) million for the quarter and \$524 million for the twelve 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 \$848 million at December 31, 2018 (2017 - \$368 million) and net sales elimination was \$82 million for the quarter and \$530 million for the twelve month period.

⁽⁴⁾ Includes separately managed accounts.