



# IGM FINANCIAL

## Q3, 2006 Results

November 2, 2006  
3:30 PM ET

**IGM**  
Financial

STRENGTH • FOCUS • GROWTH

# IGM Financial – Conference Call Participants

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**Charles Sims**

President & CEO,  
Mackenzie

Co - President & CEO,  
IGM Financial

**Murray Taylor**

President & CEO,  
Investors Group

Co - President & CEO,  
IGM Financial

**Greg Tretiak**

Executive Vice President  
& CFO,  
IGM Financial

# Caution Concerning Forward Looking Statements

This report may contain forward-looking statements about the Company, including its business operations, strategy and expected financial performance and condition. 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”, “intends”, “plans”, “believes”, “estimates” or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future financial performance (including revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future Company action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company, economic factors and the financial services industry generally. They are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied by forward-looking statements made by the Company due to, but not limited to, important factors such as general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, and the Company’s ability to complete strategic transactions and integrate acquisitions. The reader is cautioned that the foregoing list of important factors is not exhaustive. The reader is also cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements.

# Non-GAAP Financial Measures

This report may also contain non-GAAP financial measures. Non-GAAP financial measures are used to provide management and investors with additional measures of performance. However, we caution that non-GAAP financial measures do not have standard meanings prescribed by GAAP and are not directly comparable to similar measures used by other companies. Specific instances of such measures that may be referred to within this document include “Earnings Per Share excluding a non-cash income tax benefit”, “Net Income excluding a non-cash income tax benefit” and “Net Income before Interest and Taxes (“EBIT”)”. We refer you to the appropriate reconciliation in the Management’s Discussion and Analysis of these non-GAAP financial measures to measures prescribed by GAAP.

As reported in the second quarter, “Earnings Per Share excluding a non-cash income tax benefit” and “Net Income excluding a non-cash income tax benefit” for the nine months ended September 30, 2006 exclude a non-cash income tax benefit of \$13.7 million resulting from decreases in the federal corporate tax rates and their effect on the future income tax liability related to indefinite life intangible assets.

# Documents Incorporated by Reference

Readers of this presentation are directed to the following documents relating to IGM Financial's results:

- IGM Financial October, 2006 net sales press release issued November 2, 2006.
- IGM Financial Q3, 2006 financial results press release issued November 2, 2006. This press release includes a discussion of financial highlights as well as summary financial statements.
- IGM Financial Q3, 2006 financial statements and notes issued November 2, 2006.
- IGM Financial Management Discussion and Analysis ("MD&A"), which will be issued within a week following the date of this presentation.

Each of these documents will be available on the Company's website at [www.igmfinancial.com](http://www.igmfinancial.com) and also at [www.sedar.com](http://www.sedar.com).



- 1. Highlights**

2. Consolidated Results

3. Mackenzie

4. Investors Group

# Highlights

- ◆ **Earnings Per Share increased by 9.1% during the quarter ended September 30, 2006 relative to the prior year, and has increased by 11.1% on a year to date basis.**

	<u>Quarters Ended September 30</u>			<u>Nine Months Ended September 30</u>		
	<u>2005</u>	<u>2006</u>	<u>Change</u>	<u>2005</u>	<u>2006</u>	<u>Change</u>
Net Income (millions)						
Excluding a non-cash income tax benefit				\$ 505	\$ 563	11.5%
GAAP	\$ 177	\$ 191	8.4%	\$ 505	\$ 577	14.2%
Earnings Per Share (diluted)						
Excluding a non-cash income tax benefit				\$ 1.90	\$ 2.11	11.1%
GAAP	\$ 0.66	\$ 0.72	9.1%	\$ 1.90	\$ 2.16	13.7%
Dividends Per Share	\$ 0.3450	\$ 0.3975	15.2%	\$ 0.9900	\$ 1.1375	14.9%

1. As reported during the second quarter of 2006, excludes a non-cash income tax benefit of \$13.7 million resulting from decreases in federal corporate income tax rates and their effect on the future income tax liability related to indefinite life intangible assets.

# Highlights

- ◆ **Although IGM Financial's gross long term fund sales declined during Q3, 2006 relative to the prior year, gross sales have increased by 7.8% year to date 2006 relative to 2005.**

(\$ millions)	Quarters Ended September 30			Nine Months Ended September 30		
	2005	2006	Change	2005	2006	Change
<b>Long Term Mutual Fund Sales</b>						
Investors Group	997	1,001	0.4%	3,437	3,959	15.2%
Mackenzie <sup>1</sup>	1,431	1,069	(25.3%)	4,976	5,182	4.1%
Counsel Fund Management <sup>1</sup>	86	59	(31.4%)	300	251	(16.3%)
IGM Financial	2,514	2,129	(15.3%)	8,713	9,392	7.8%
<b>Long Term Mutual Fund Net Sales</b>						
Investors Group	10	45	350.0%	361	772	113.9%
Mackenzie <sup>1</sup>	85	(307)	N/M	684	335	(51.0%)
Counsel Fund Management <sup>1</sup>	46	16	(65.2%)	178	109	(38.6%)
IGM Financial	141	(246)	N/M	1,223	1,216	(0.6%)
Average Mutual Fund Assets Under Management	89,657	98,140	9.5%	86,754	97,610	12.5%

1. Includes certain items not included within reporting to the Investment Funds Institute of Canada ("IFIC"). These items include the Mackenzie Alternative Strategies Fund and investments of certain Counsel funds in the units of mutual funds managed by other members of IFIC.



# Highlights

- ◆ **IGM Financial's assets under management increased by 6.4% during Q3, 2006 and by 14.3% during the last year.**

(\$ billions)	Sep 30, 2005	Dec 31, 2005	Mar 31, 2006	Jun 30, 2006	Sep 30, 2006	Change	
						Last Quarter	Last Year
<b>Mutual Fund Assets Under Management</b>							
Investors Group	49.0	50.7	53.8	51.8	54.0	4.2%	10.2%
Mackenzie <sup>1</sup>	40.2	41.6	44.0	42.4	43.5	2.6%	8.2%
Counsel Fund Management <sup>1</sup>	1.8	1.9	2.0	2.0	2.0	3.4%	14.4%
<b>IGM Financial <sup>2</sup></b>	<b>91.0</b>	<b>94.1</b>	<b>99.8</b>	<b>96.2</b>	<b>99.5</b>	<b>3.4%</b>	<b>9.3%</b>
<b>Total Assets Under Management</b>							
Investors Group	49.0	50.7	53.8	51.8	54.0	4.2%	10.2%
Mackenzie <sup>1,3,4</sup>	47.9	49.9	53.7	52.2	56.8	8.8%	18.6%
Counsel Fund Management <sup>1</sup>	1.8	1.9	2.0	2.0	2.0	3.4%	14.4%
<b>IGM Financial <sup>2</sup></b>	<b>96.6</b>	<b>100.2</b>	<b>107.2</b>	<b>103.7</b>	<b>110.4</b>	<b>6.4%</b>	<b>14.3%</b>

1. Includes certain items not included within reporting to the Investment Funds Institute of Canada ("IFIC"). These items include the Mackenzie Alternative Strategies Fund and investments of certain Counsel funds in the units of mutual funds managed by other members of IFIC.
2. Adjusted to eliminate double-counting of assets included within the balance of more than one IGM Financial subsidiary.
3. Includes \$2.3 billion at September 30, 2006 in sub-advisory mandates to funds managed by Investors Group.
4. Includes \$3.3 billion in institutional and sub-advisory mandates related to the acquisition of the Cundill Group during the third quarter of 2006. Excluding assets acquired through the acquisition of the Cundill Group, assets increased by 3.3% during the last quarter and by 10.9% during the last year.



1. Highlights

**2. Consolidated Results**

3. Mackenzie

4. Investors Group

# Operating Environment – Gross Sales

- ◆ *Gross sales declined during Q3, 2006 relative to Q3, 2005 across all channels.*
- ◆ *During 2006, IGM Financial's gross sales have increased by 8% relative to 2005, while the rest of the industry has increased by 2%.*

## Industry Long Term Mutual Fund Gross Sales (\$ millions)

	Three months ended September 30				Nine months ended September 30			
	2005	2006	Change		2005	2006	Change	
			\$	%			\$	%
Industry								
IGM Financial	2,498	2,125	(373)	<b>(15%)</b>	8,660	9,358	698	<b>8%</b>
Other advice channel <sup>1</sup>	9,537	8,140	(1,397)	<b>(15%)</b>	33,555	32,354	(1,201)	<b>(4%)</b>
Total advice channel (broker/dealer)	12,035	10,265	(1,770)	<b>(15%)</b>	42,215	41,712	(503)	<b>(1%)</b>
Deposit takers	9,600	7,542	(2,058)	<b>(21%)</b>	29,768	32,115	2,347	<b>8%</b>
Direct	1,243	659	(584)	<b>(47%)</b>	3,172	3,085	(87)	<b>(3%)</b>
Total industry	<u>22,878</u>	<u>18,466</u>	<u>(4,412)</u>	<b>(19%)</b>	<u>75,155</u>	<u>76,912</u>	<u>1,757</u>	<b>2%</b>
Industry (excluding IGM Financial)	20,380	16,341	(4,039)	<b>(20%)</b>	66,495	67,554	1,059	<b>2%</b>

1. Industrial Alliance started reporting to IFIC during January, 2006. For comparability with 2005, Clarington and Industrial Alliance have been excluded.



Source: IFIC

# Operating Environment – Net Sales

- *During 2006, IGM Financial's net sales have increased by 1% relative to 2005.*
- *Net sales for the rest of the advice channel have declined by 21% and net sales for the rest of the industry have declined by 24%.*

## Industry Long Term Mutual Fund Net Sales (\$ millions)

	Three months ended September 30				Nine months ended September 30			
	2005	2006	Change		2005	2006	Change	
			\$	%			\$	%
Industry								
IGM Financial	154	(235)	(389)	N/M	1,237	1,244	7	<b>1%</b>
Other advice channel <sup>1</sup>	826	216	(610)	(74%)	3,824	3,025	(799)	<b>(21%)</b>
Total advice channel (broker/dealer)	980	(19)	(999)	N/M	5,061	4,269	(792)	<b>(16%)</b>
Deposit takers	4,575	1,311	(3,264)	(71%)	13,792	11,225	(2,567)	<b>(19%)</b>
Direct	517	(200)	(717)	N/M	932	(74)	(1,006)	<b>N/M</b>
Total industry	6,072	1,092	(4,980)	(82%)	19,785	15,420	(4,365)	<b>(22%)</b>
Industry (excluding IGM Financial)	5,918	1,327	(4,591)	(78%)	18,548	14,176	(4,372)	<b>(24%)</b>

1. Industrial Alliance started reporting to IFIC during January, 2006. For comparability with 2005, Clarington and Industrial Alliance have been excluded.

# Operating Environment – Net Sales

- During the third quarter of 2006, there was a marked increase in net flows into income-oriented funds.

## Industry Long Term Fund Net Sales (\$ millions)

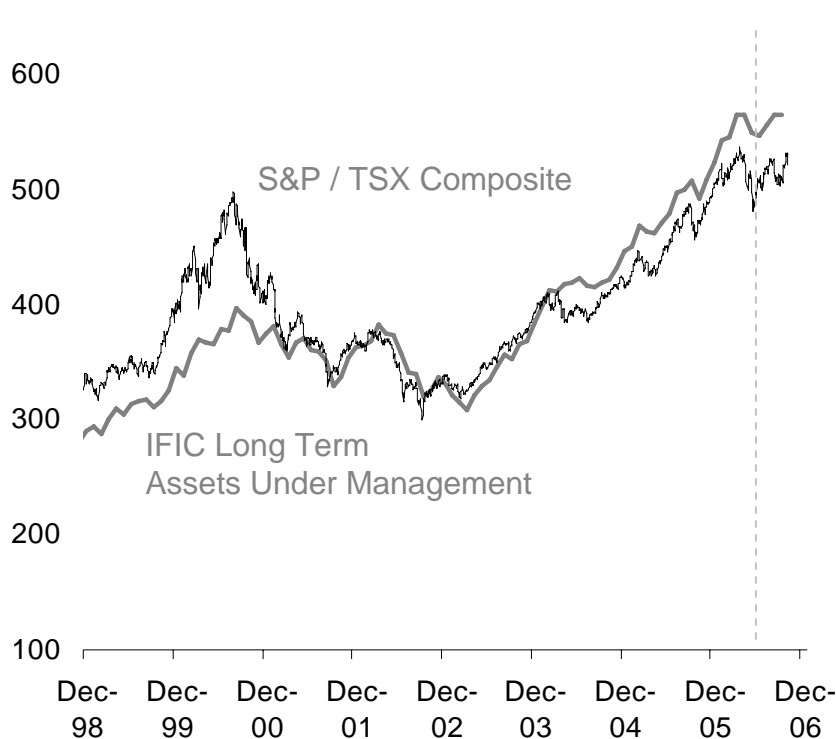
	Q2, 2005	Q3, 2005	Q4, 2005	Q1, 2006	Q2, 2006	Q3, 2006
Bond & Income	1,735	2,361	2,040	2,551	132	551
Dividend & Income	1,609	2,345	1,512	2,881	816	699
"Income" Balanced & Equity <sup>1</sup>	2,759	2,924	2,053	2,317	1,177	901
Total Income	6,103	7,630	5,605	7,749	2,124	2,150
<b>% income</b>	<b>143%</b>	<b>124%</b>	<b>110%</b>	<b>65%</b>	<b>78%</b>	<b>184%</b>
Canadian Equity & Balanced	(320)	(507)	12	2,413	(283)	(829)
Foreign Equity	(1,506)	(951)	(508)	1,814	895	(154)
Total Balanced & Equity	(1,825)	(1,458)	(496)	4,227	612	(984)
	4,277	6,172	5,109	11,976	2,737	1,166

1. Balanced & equity funds with the word "income" in the name.

# Operating Environment – Financial Markets

- During Q3, 2006, industry long term mutual fund assets under management increased by 3.4% as a result of increases in Canadian and global equity markets.

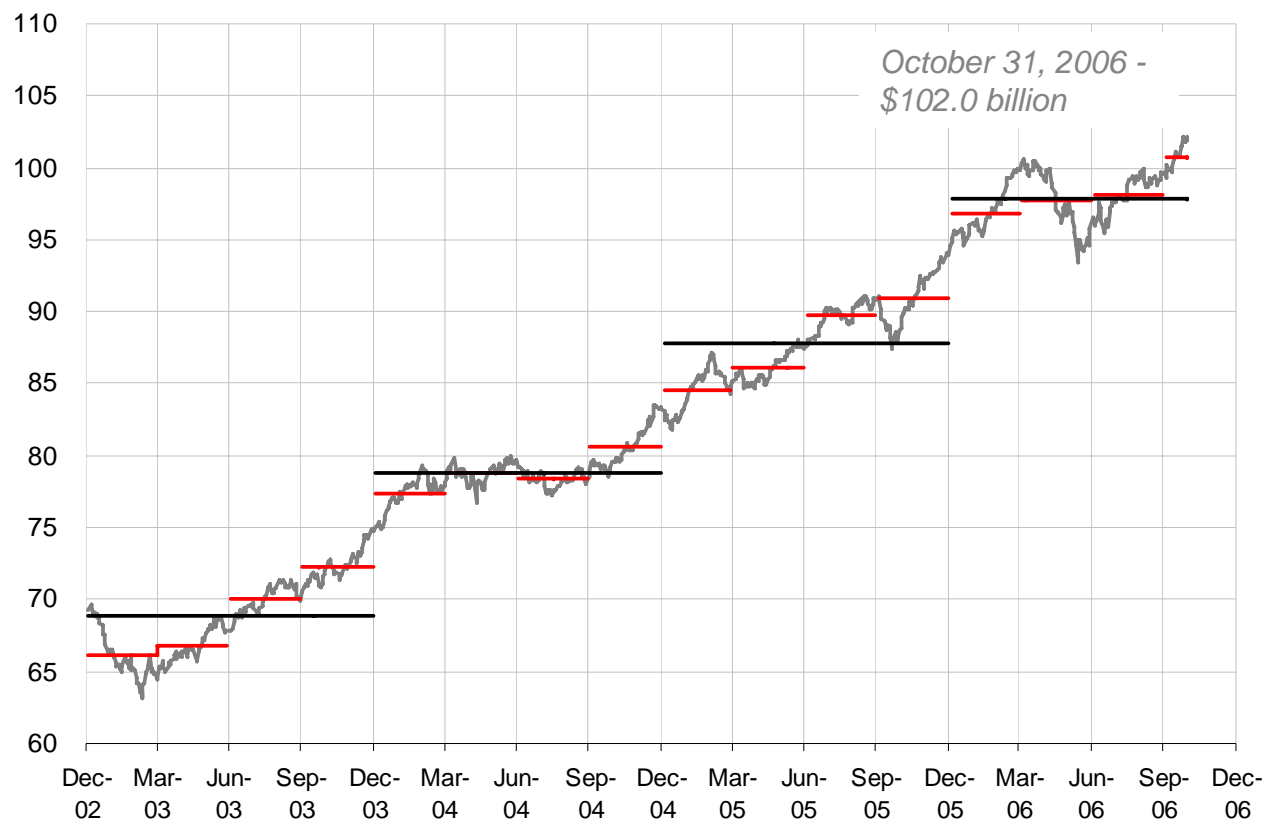
Canadian Mutual Fund Industry  
Long Term Mutual Fund Assets Under Management (\$ billions)



	Quarter Ended Sep. 30, 2006	Fourth Quarter at Nov. 1, 2006
IFIC Long Term Assets	3.4%	
S&P / TSX Composite	1.3%	2.5%
S&P 500	5.2%	3.1%
Dow Jones Industrial	4.7%	3.0%
Nasdaq Composite	4.0%	3.4%
FTSE 100	2.2%	3.2%
DAX	5.6%	4.8%
Nikkei 225	4.0%	1.5%
US dollar relative to CAD	0.2%	1.3%
Euro relative to CAD	(0.8%)	1.9%

# IGM Financial Mutual Fund Assets Under Management (\$ Billions)

- Average mutual fund assets under management increased by 9.5% during Q3, 2006 relative to the average balance during Q3, 2005 and increased by .3% relative to the average balance during Q2, 2006.**



Average Assets Under Management	
Q3, 2006	98.1
Q3/06 versus Q3/05	9.5%
Q3/06 versus Q2/06	0.3%
Q3, 2005	89.7
Q2, 2006	97.8

— Annual Average  
— Quarterly Average

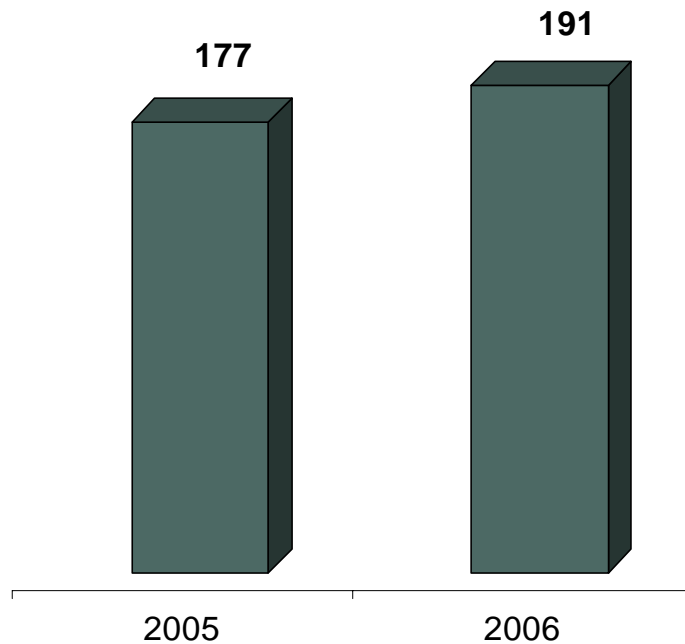


Includes Counsel Fund Management assets under management effective May 10, 2004.

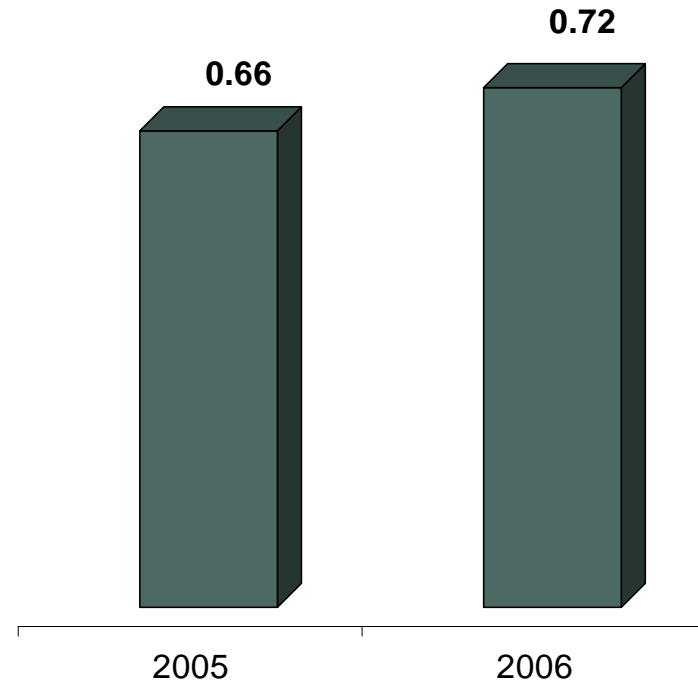
# IGM Financial Third Quarter Earnings


- ◆ *Earnings Per Share increased by 9.1% during Q3, 2006 relative to Q3, 2005.*

Net Income  
Quarters Ended September 30 (\$ millions)



Earnings Per Share  
Quarters Ended September 30 (\$)

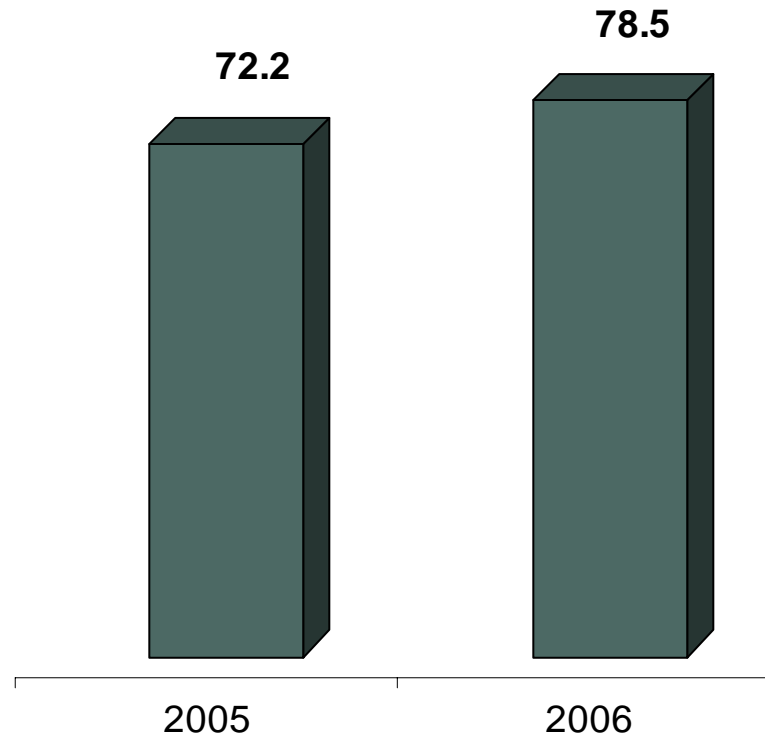


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1. Highlights
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  - 3. Mackenzie**
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# Mackenzie Operating Income before Interest & Taxes

- ◆ *During Q3, 2006, Mackenzie's Income before Interest and Taxes increased by 8.7% relative to Q3, 2005.*

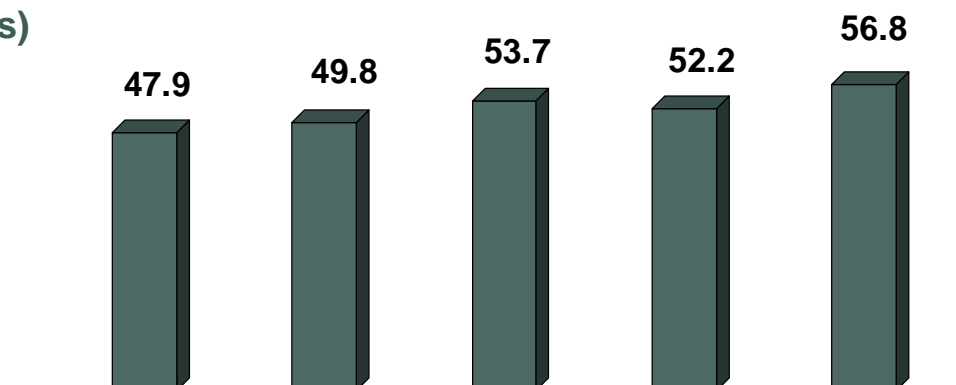
Quarters Ended September 30 (\$ Millions)



# Mackenzie Total Assets Under Management

- ◆ *Mackenzie's assets under management increased by 18.7% during the last year and increased by 8.9% during Q3, 2006.*

**Mackenzie Total Assets Under Management**  
(\$ Billions)



	Sept. 30, 2005	Dec. 31, 2005	Mar. 31, 2006	Jun. 30, 2006	Sep. 30, 2006	Change during Q3	Change during last year
Mutual funds <sup>1</sup>	40.2	41.6	44.0	42.4	43.5	2.6%	8.2%
Private, institutional & sub-advised <sup>2</sup>	7.6	8.3	9.7	9.8	13.3	35.6%	74.0%
<b>Total assets under management</b>	<b>47.9</b>	<b>49.8</b>	<b>53.7</b>	<b>52.2</b>	<b>56.8</b>	<b>8.9%</b>	<b>18.7%</b>

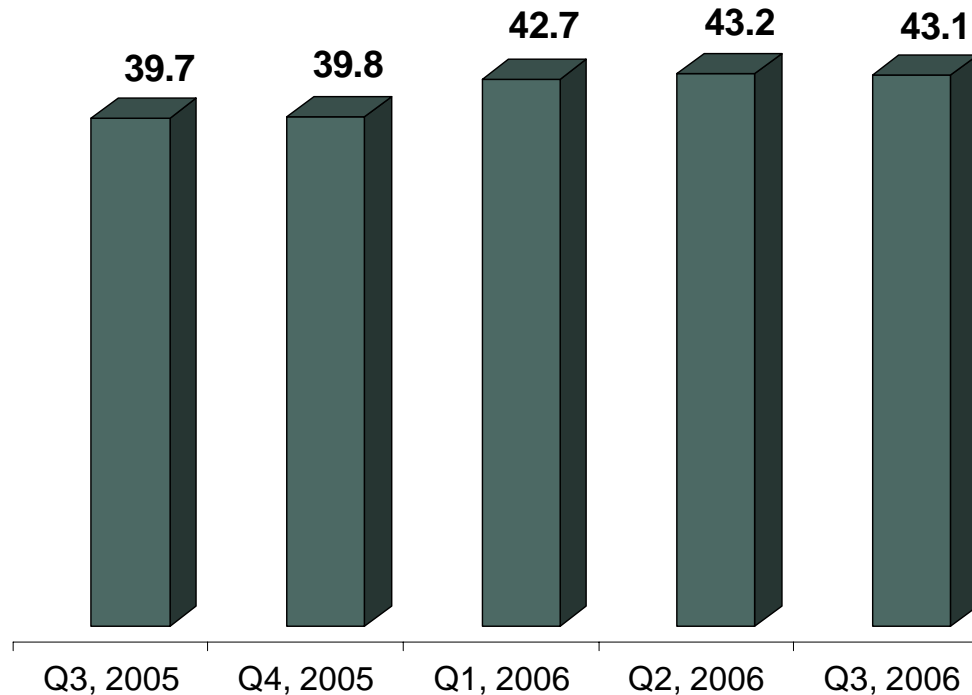
1. Includes Mackenzie Alternative Strategies Fund (this fund is not reported within IFIC numbers).

2. Includes \$3.3 billion in institutional and sub-advisory mandates related to the acquisition of the Cundill Group during the third quarter of 2006. Excluding the impact of the acquisition of the Cundill Group, assets under management increased by 11.8% during the last year and by 2.5% during the last quarter.

# Mackenzie Mutual Fund Assets Under Management

- ♦ *The average balance of mutual fund assets under management decreased by 0.3% during Q3, 2006 relative to Q2, 2006, and increased by 8.6% relative to Q3, 2005.*

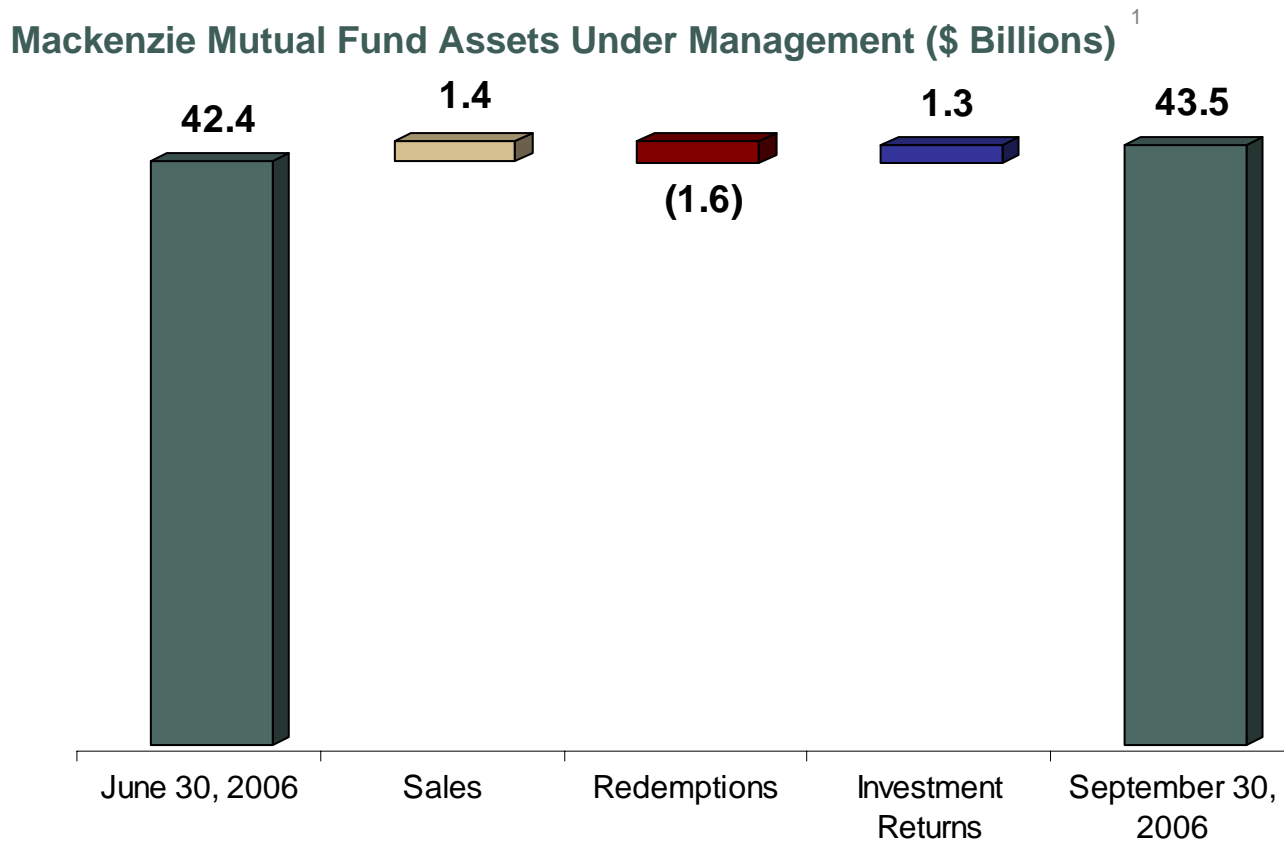
Average Mackenzie Mutual Fund Assets Under Management <sup>1</sup>  
(\$ Billions)



1. Includes Mackenzie Alternative Strategies Fund (this fund is not reported within IFIC numbers).

# Mackenzie Mutual Fund Assets Under Management

- ◆ *Mackenzie's mutual fund assets under management increased by 2.6% during Q3, 2006 as a result of increases in equity markets.*

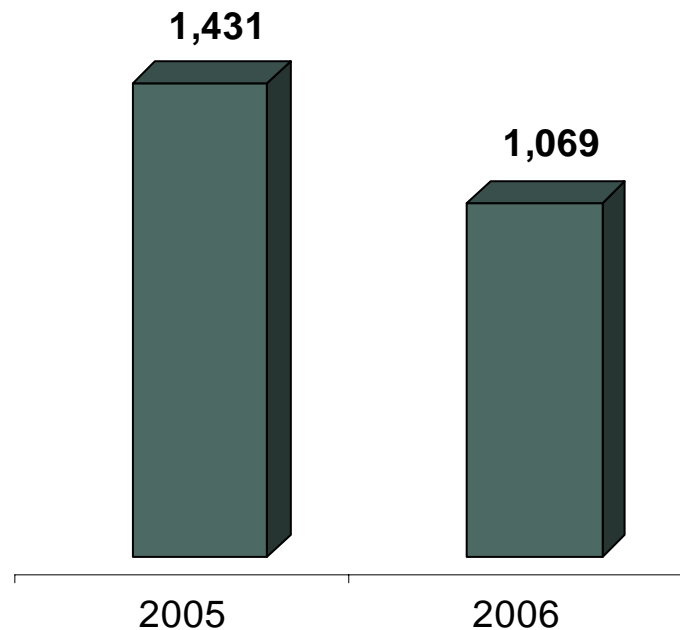


1. Includes Mackenzie Alternative Strategies Fund (this fund is not reported within IFIC numbers).

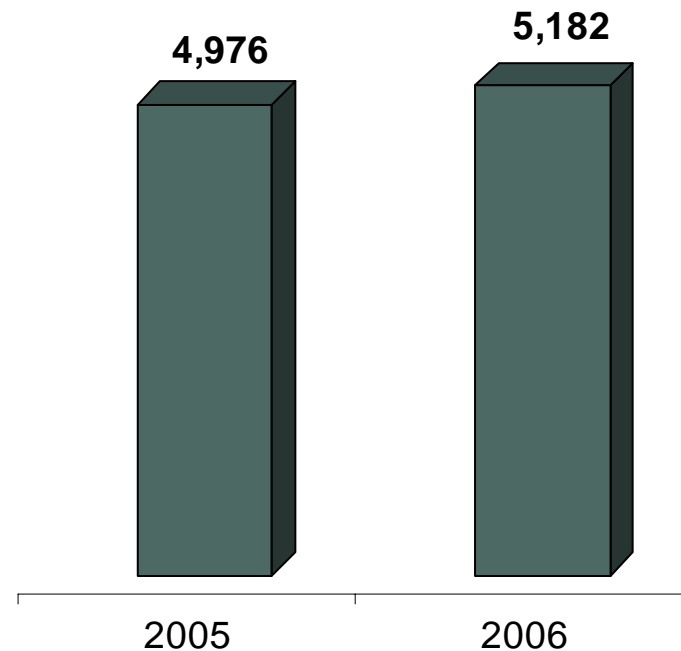
# Mackenzie Mutual Fund Gross Sales

- ◆ *Mackenzie's long term mutual fund gross sales have increased by 4.1% year to date 2006 relative to 2005. During Q3, 2006, gross sales declined by 25.3% relative to Q3, 2005.*

Mackenzie Gross Sales of Long Term Funds  
Quarters ended September 30 (\$ Millions)<sup>1</sup>



Mutual Fund Gross Sales of Long Term Funds  
Nine months ended September 30 (\$ Millions)<sup>1</sup>

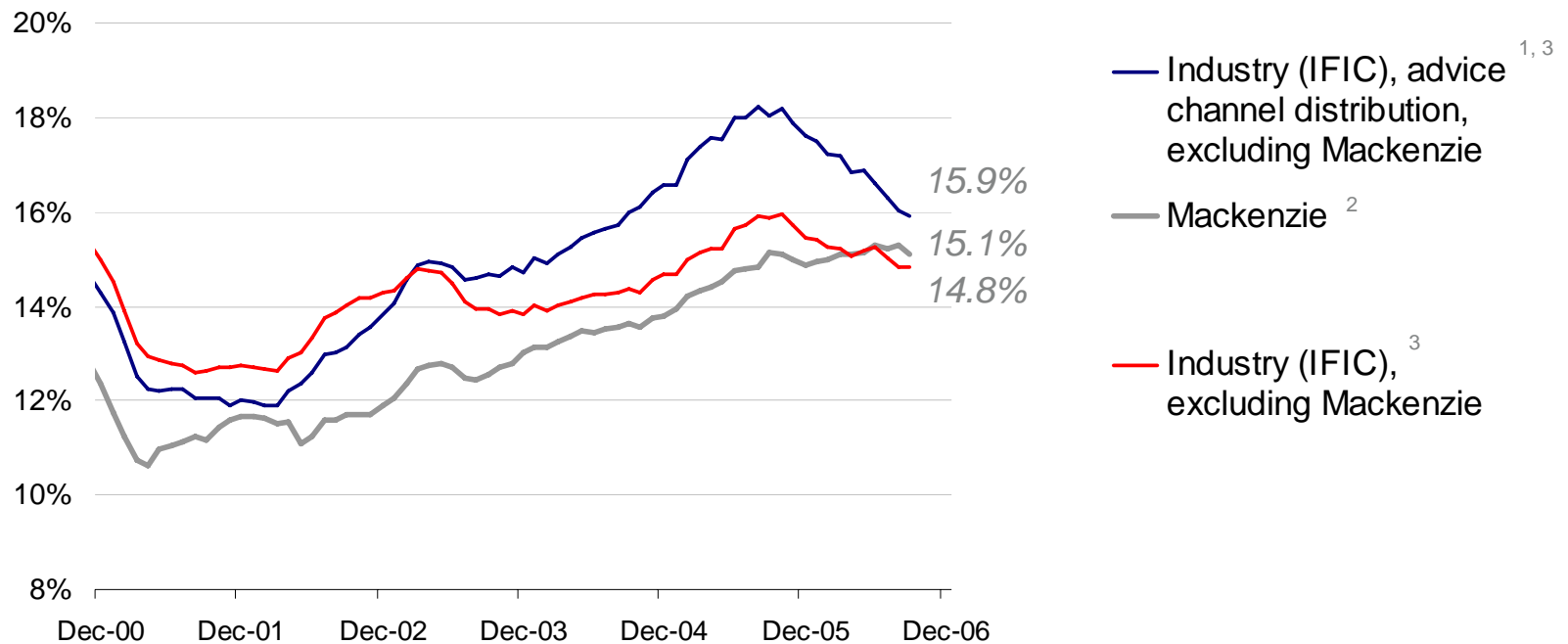


1. Includes Mackenzie Alternative Strategies Fund (this fund is not reported within IFIC numbers).

# Mackenzie Mutual Fund Redemption Rate

- ◆ *Mackenzie's redemption rate on long term assets is below its peers.*

**Redemption Rate on Canadian Long Term Mutual Funds  
(Last Twelve Month % of Average Assets Under Management)**

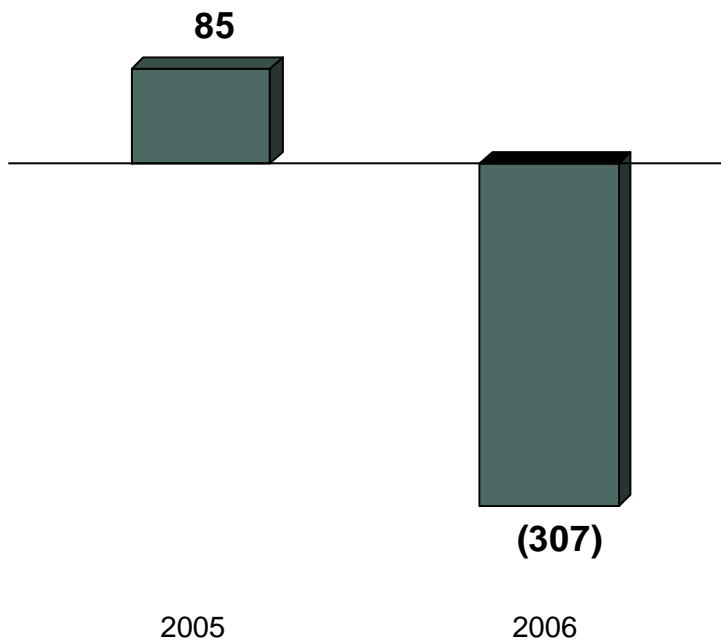


1. Advice channel distribution represents total industry reported by IFIC, excluding Investors Group, Mackenzie, deposit takers and direct distributors.  
 2. Mackenzie has been retroactively restated to include Maxxum redemptions (Maxxum operations were transferred to Mackenzie October 5, 2001).  
 3. Advice channel and industry have been adjusted to exclude an extraordinary redemption of \$884 million from AGF during January, 2005.

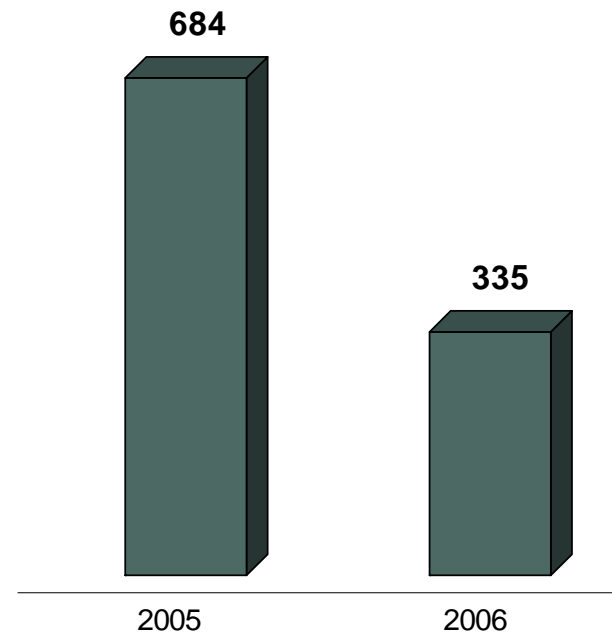
# Mackenzie Mutual Fund Net Sales

- ◆ *Mackenzie's long term mutual fund net sales have declined during 2006 relative to 2005.*

<sup>1</sup>  
Mackenzie Net Sales of Long Term Funds  
Quarters ended September 30 (\$ Millions)



<sup>1</sup>  
Mutual Fund Net Sales of Long Term Funds  
Nine months ended September 30 (\$ Millions)

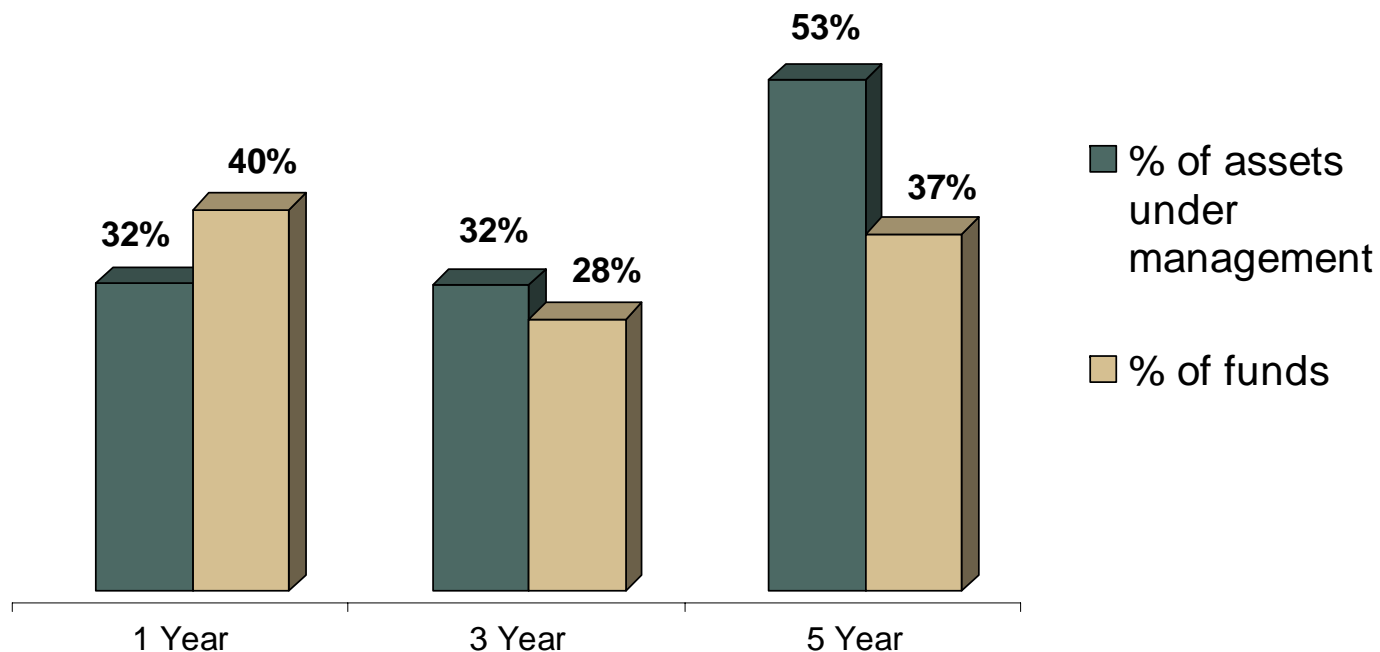


1. Includes Mackenzie Alternative Strategies Fund (this fund is not reported within IFIC numbers).

# Mackenzie Investment Performance

- ◆ *53% of Mackenzie's mutual fund assets under management have delivered first or second quartile performance in terms of five year returns.*

Mackenzie Funds in First or Second Quartile  
at September 30, 2006



Source - Morningstar



*Mackenzie*


# Mackenzie Q3, 2006 Developments

**Mackenzie Cundill Value Fund top-selling mutual fund in advice channel during Q3, 2006.**

- Net sales of \$189 million during the quarter

## **Product Announcements**

- Introduction of Mackenzie Charitable Giving Fund program
- Select Managers brand re-named Focus Funds
  - Reflects unique, focused bottom-up stock-picking investment process
- Launch of Sentinel Diversified Income Fund fund-of-funds
- IPO of Mackenzie Structured Products MSP 2006 Resource Limited Partnership

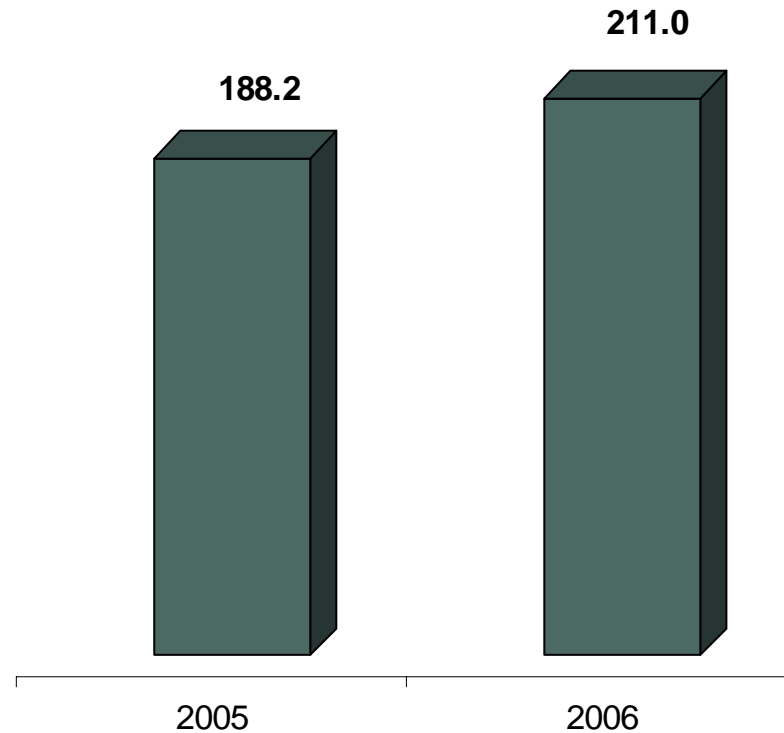
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1. Highlights
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**4. Investors Group**

# Investors Group Operating Income before Interest & Taxes

- ◆ *During the quarter ended September 30, 2006, Investors Group's Income before Interest & Taxes increased by 12.1% relative to the prior year.*

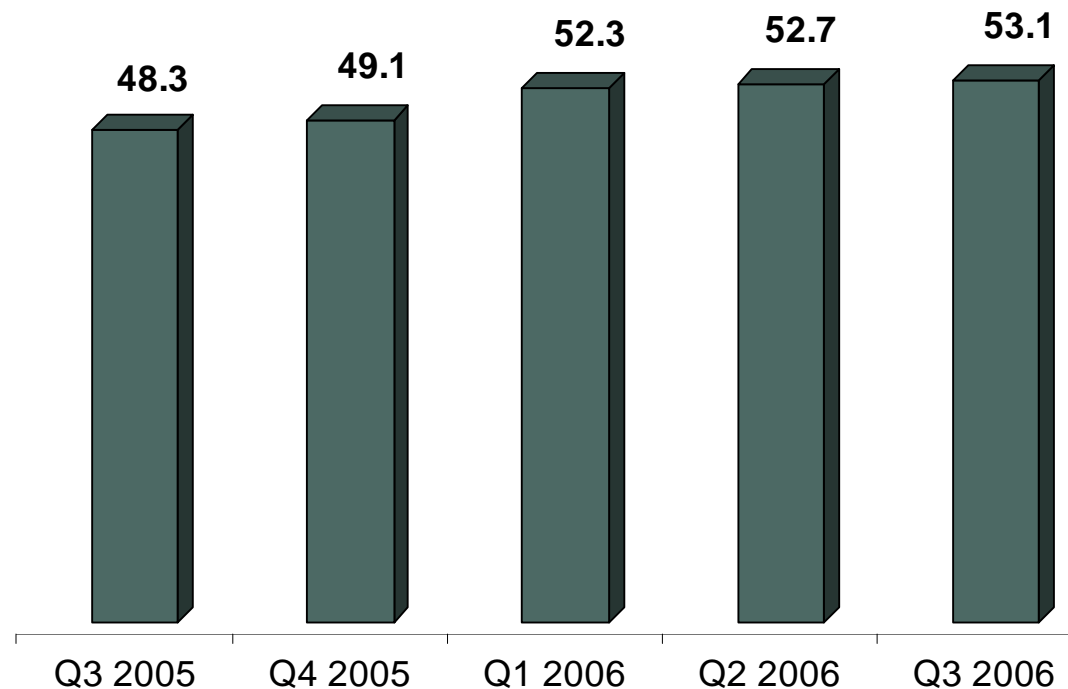
Quarters Ended September 30  
(\$ Millions)



# Investors Group Mutual Fund Assets Under Management

- ◆ *The average balance of mutual fund assets under management increased by 0.8% during Q3, 2006 relative to Q2, 2006 and increased by 10.0% relative to Q3, 2005.*

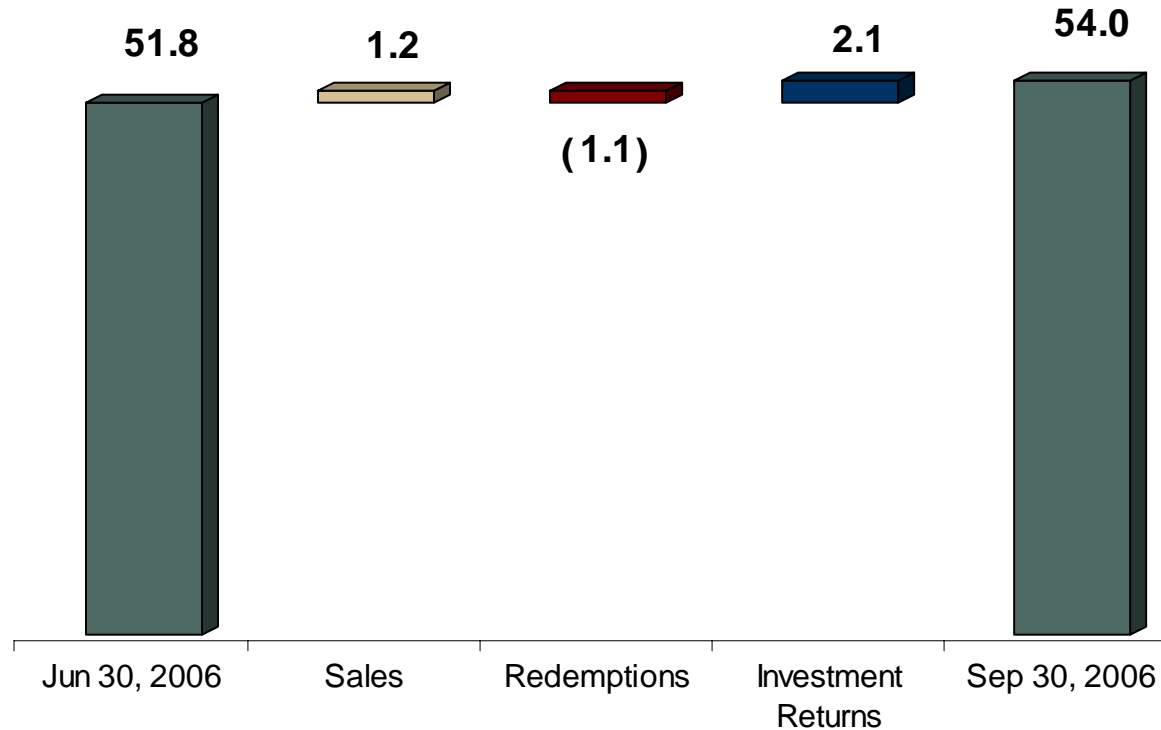
Investors Group Average Mutual Fund Assets Under Management  
(\$ Billions)



# Investors Group Mutual Fund Assets Under Management

- ◆ *Investors Group mutual fund assets increased by 4.2% during the third quarter primarily as a result of increases in equity markets.*

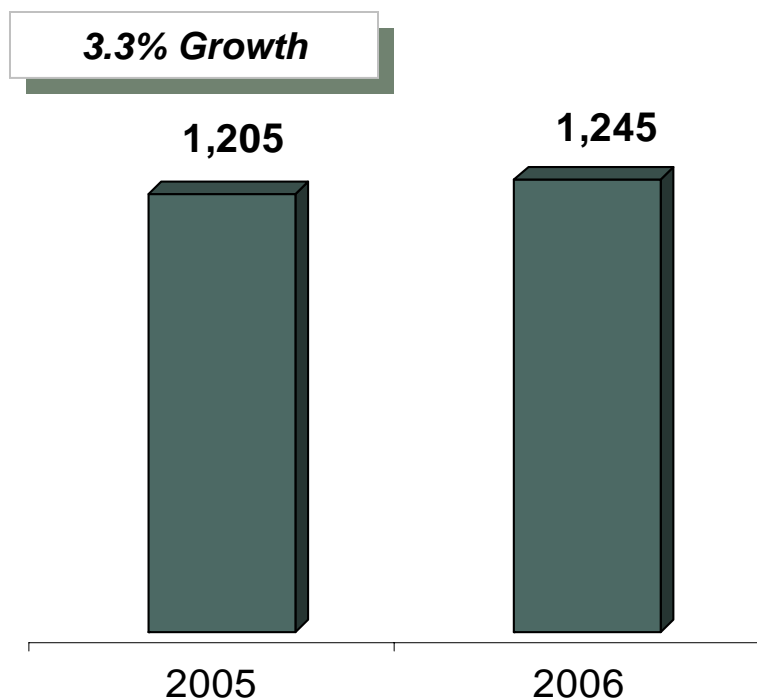
Change in Investors Group Mutual Fund Assets Under Management  
(\$ Billions)



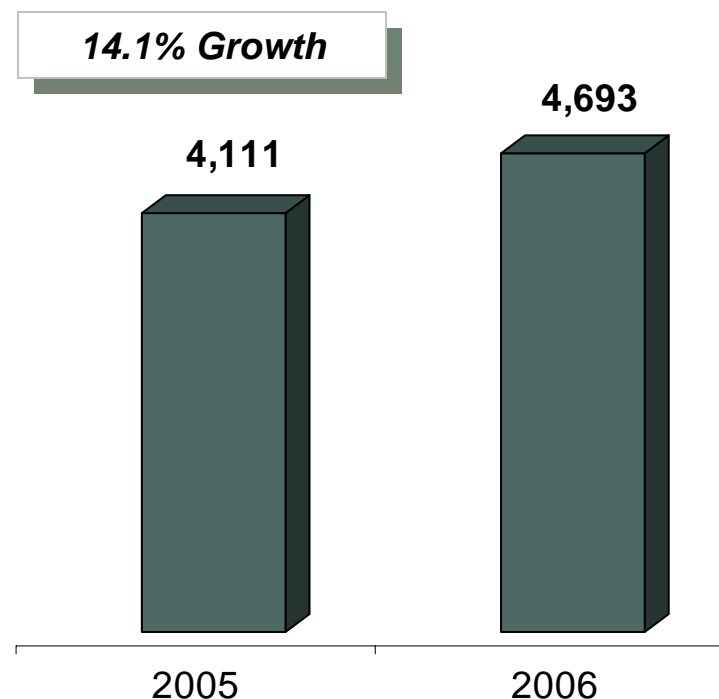
# Investors Group Mutual Fund Gross Sales

- ◆ *Investors Group's gross sales increased by 3.3% during Q3, 2006 relative to Q3, 2005, and increased by 14.1% during 2006 relative to 2005.*

Mutual Fund Gross Sales  
Quarters Ended September 30 (\$ Millions)



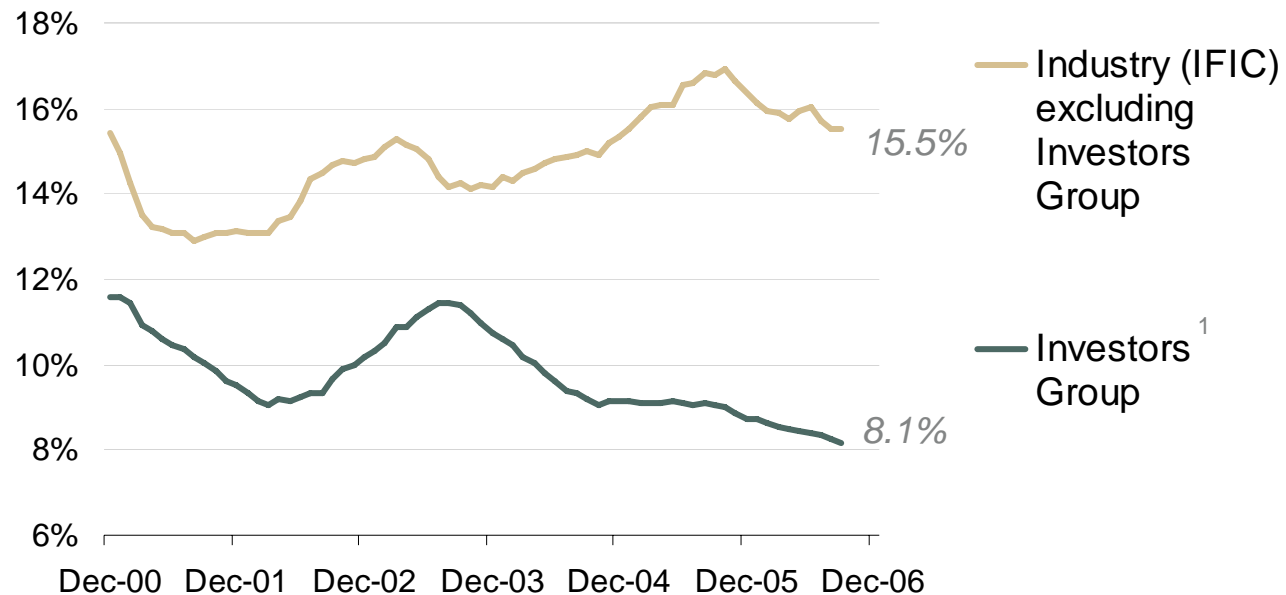
Mutual Fund Gross Sales  
Nine Months Ended September 30 (\$ Millions)



# Investors Group Mutual Fund Redemption Rate

- Investors Group's trailing twelve month redemption rate on long term mutual funds continues to improve, decreasing to 8.1% during the quarter, down from 8.7% at the beginning of the year and 9.1% at September 30, 2005.

**Redemption Rate on Long Term Mutual Funds**  
(Last Twelve Month Trailing % of Average Assets Under Management)

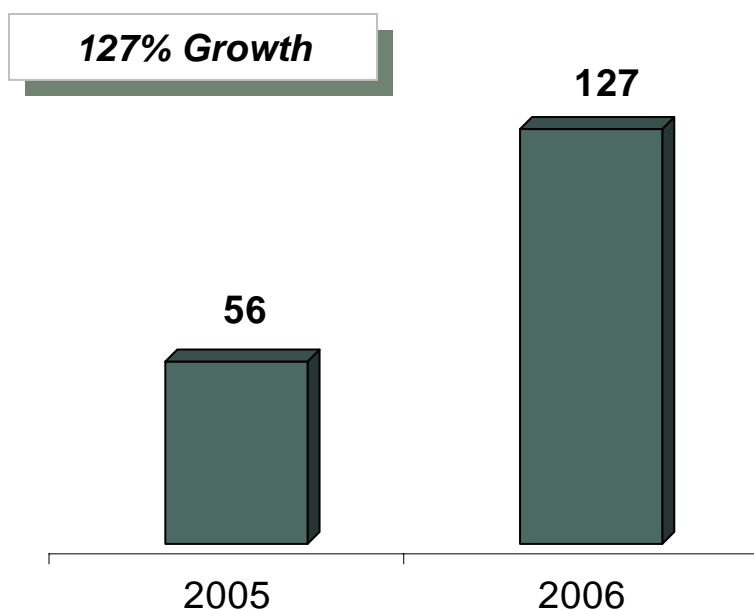


1. Numbers have been retroactively restated to exclude Maxxum redemptions (Maxxum operations were transferred to Mackenzie October 5, 2001)

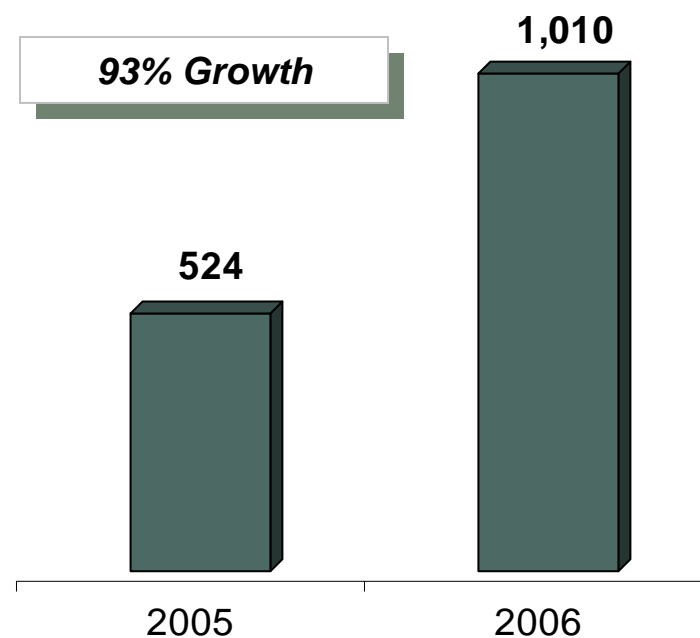
# Investors Group Mutual Fund Net Sales

- ◆ *Investors Group's net sales during Q3, 2006 were more than twice the level experienced during Q3, 2005, and increased by 93% during 2006 relative to 2005.*

Mutual Fund Net Sales  
Quarters Ended September 30 (\$ Millions)



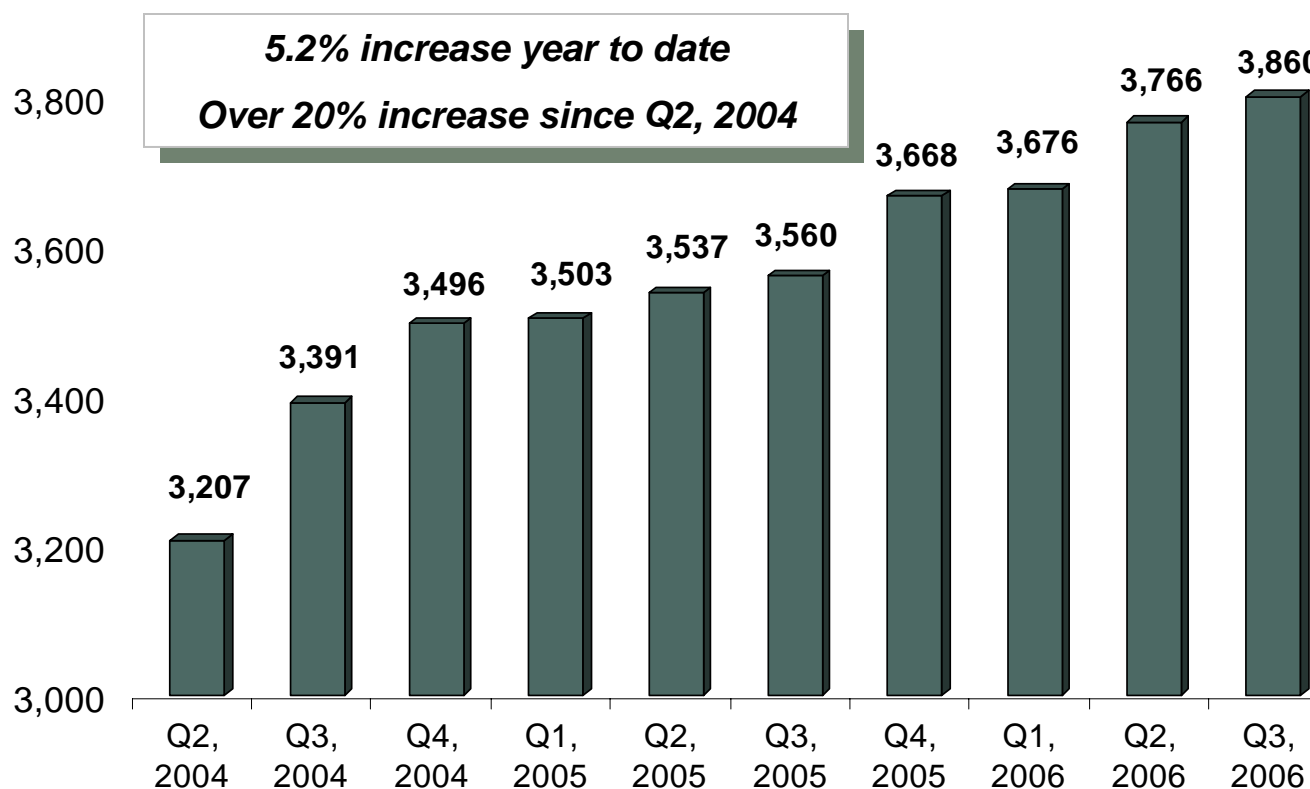
Mutual Fund Net Sales  
Nine Months Ended September 30 (\$ Millions)



# Investors Group Consultant Network

- ◆ *During Q3, 2006 the Consultant Network increased by 94 to 3,860 Consultants, our highest level on record.*

Number of Investors Group Consultants



# Investors Group Q3, 2006 Developments

## Consultant Network Expansion

- 3,860 Consultants at September 30, 2006 reflects our largest historical Consultant network
- Five new offices (Vancouver, Regina, London, Mississauga and Halifax) were announced in 2006 resulting in a total of twelve new region offices announced since the beginning of 2005

## Product Announcements

- Two new growth-oriented Canadian equity funds on July 21, 2006
- Investors Greater China Fund launched August 14, 2006
- Launch of Investors Group Charitable Giving Program on September 5, 2006



# IGM FINANCIAL

## Q3, 2006 Results

November 2, 2006  
3:30 PM ET

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