IGM Financial

IGM FINANCIAL INC. THIRD QUARTER REPORT

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007

Caution Regarding 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", "plans", "believes", "estimates", "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". 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 forwardlooking 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, 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, 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 and integrate acquisitions and the Company's success in anticipating and managing the foregoing risks. 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. Other than as specifically required by applicable law, the Company has no specific intention to update any forward-looking statements whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

This report may also contain non-GAAP financial measures. Terms by which non-GAAP financial measures are identified include but are not limited to "adjusted net income", "adjusted earnings per share", "adjusted return on average common equity", "net income without adjustment" and other similar expressions used to provide management and investors with additional measures to assess earnings performance. As well, "earnings before interest and taxes (EBIT)" and "Earnings before interest, taxes, depreciation and amortization (EBITDA)" are non-GAAP financial measures used to provide management, investors and investment analysts with additional measures to evaluate and analyze the Company's results. However, these non-GAAP financial measures do not have a standard meaning and are not directly comparable to similar measures used by other companies and may not be directly comparable to any prescribed GAAP measure. Please refer to the appropriate reconciliations of these non-GAAP financial measures to measures prescribed by GAAP.

Financial Highlights

	Three months ended September 30 2007	2006	Change	Nine months ended September 30 2007	2006	Change
Net income *($ millions)*						
Adjusted [1]	**$ 218.4**	$ 191.4	14.1%	$ **644.8**	$ 563.4	14.4%
GAAP	**218.4**	191.4	14.1	**644.8**	577.1	11.7
Diluted earnings per share						
Adjusted [1]	**0.82**	0.72	13.9	**2.41**	2.11	14.2
GAAP	**0.82**	0.72	13.9	**2.41**	2.16	11.6
Return on equity						
Adjusted [1]				**21.5%**	21.0%	
GAAP				**21.5%**	21.5%	
Dividends per share	**0.4600**	0.3975	15.7	**1.3150**	1.1375	15.6

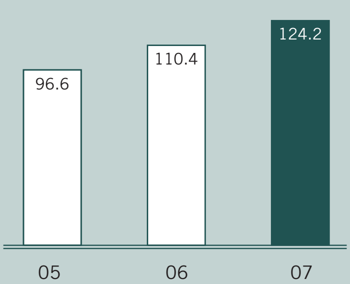
	2007	2006	Change
Total assets under management[2] *($ millions)*	**$ 124,228**	$ 110,431	12.5%
Investors Group			
Mutual funds	**61,205**	53,993	13.4
Mackenzie			
Mutual funds	*47,492*	*43,498*	
Sub-advisory accounts	*14,135*	*11,022*	
Institutional and other accounts	*1,868*	*2,271*	
Total	**63,495**	56,791	11.8
Counsel Group of Funds			
Mutual funds	**2,294**	2,026	13.3

Mutual Funds and Institutional Sales *($ millions)*

	Investors Group	Mackenzie	Counsel Group of Funds	Total[3]
For the three months ended September 30, 2007				
Gross sales	**$ 1,593**	**$ 2,784**	**$ 80**	**$ 4,315**
Net sales	**370**	**(473)**	**34**	**(89)**
For the nine months ended September 30, 2007				
Gross sales	**$ 5,592**	**$ 9,736**	**$ 298**	**$ 15,275**
Net sales	**1,772**	**841**	**140**	**2,617**

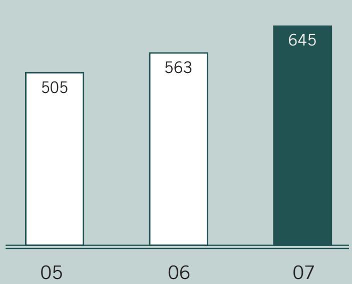
Total Assets under Management

As at September 30 *($ billions)*



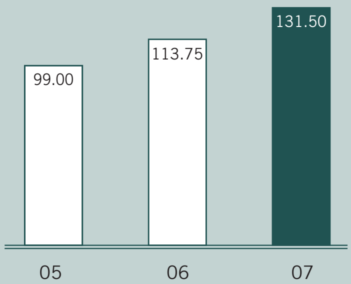
Net Income[1]

For the nine months ended September 30
($ millions)



Dividends per Share

For the nine months ended September 30
(cents)



(1) *Non-GAAP Financial Measures:*
Results for the nine-month period ended September 30, 2006 exclude a non-cash income tax benefit recorded in the second quarter resulting from decreases in federal corporate income tax rates and their effect on the future income tax liability related to indefinite life intangible assets from the acquisition of Mackenzie Financial Corporation in 2001.

(2) *Total assets under management excludes $2.7 billion of assets sub-advised by Mackenzie on behalf of Investors Group ($2.3 billion at September 30, 2006) and is adjusted for $32 million in inter-segment assets ($34 million at September 30, 2006).*

(3) *Total Gross Sales and Net Sales for the three months ended September 30, 2007 exclude $142 million and $20 million respectively in accounts sub-advised by Mackenzie on behalf of Investors Group.*
Total Gross Sales and Net Sales for the nine months ended September 30, 2007 exclude $351 million and $136 million respectively in accounts sub-advised by Mackenzie on behalf of Investors Group.

Report to Shareholders

FINANCIAL RESULTS

Net income for the three months ended September 30, 2007 was $218.4 million compared to $191.4 million in 2006, an increase of 14.1%. Earnings per share were 82 cents in 2007 compared to 72 cents in 2006, an increase of 13.9%.

Net income for the nine months ended September 30, 2007 was $644.8 million compared to adjusted net income of $563.4 million in 2006, an increase of 14.4%. Earnings per share were $2.41 in 2007 compared to adjusted earnings per share of $2.11 in 2006, an increase of 14.2%. Adjusted net income and earnings per share for the nine months ended September 30, 2006 excluded a non-cash income tax benefit. Net income for the nine months ended September 30, 2006 without adjustment totalled $577.1 million and earnings per share on this basis were $2.16.

Total assets under management at September 30, 2007 were $124.2 billion. This compares with total assets under management of $110.4 billion at September 30, 2006, an increase of 12.5%.

Gross revenues for the three months ended September 30, 2007 were $730.8 million, compared to $643.1 million in the prior year. Gross revenues for the nine months ended September 30, 2007 were $2.17 billion, compared to $1.93 billion in the prior year. Operating expenses were $415.2 million for the quarter and $1.24 billion for the nine months, compared to $361.9 million and $1.11 billion, respectively, in 2006.

INVESTORS GROUP OPERATIONS

Investors Group's mutual fund assets under management at September 30, 2007 were $61.2 billion compared to $54.0 billion at September 30, 2006, an increase of 13.4%.

The number of Investors Group Consultants was 4,225 at September 30, 2007 up from 3,917 at December 31, 2006. Investors Group has experienced thirteen consecutive quarters of growth resulting in an increase of more than 31% in the Consultant network since June 30, 2004.

Mutual fund sales for the third quarter of 2007 were $1.6 billion compared to $1.2 billion in the prior year and mutual fund net sales for the third quarter were $370 million compared to $127 million a year ago. Year-to-date mutual fund sales for 2007 were $5.6 billion compared to $4.7 billion in the prior year and mutual fund net sales were $1.8 billion compared to $1.0 billion a year ago.

Investors Group's twelve month trailing redemption rate (excluding money market funds) was at a record low level of 7.3% at September 30, 2007, down from 7.9% at December 31, 2006 and down from 8.1% at September 30, 2006.

MACKENZIE OPERATIONS

Mackenzie's total assets under management at September 30, 2007 totalled $63.5 billion. This compares with assets under management of $56.8 billion at September 30, 2006, an increase of 11.8%. Mutual fund assets under management at September 30, 2007 were $47.5 billion, an increase of 9.2%, compared to $43.5 billion one year ago.

Total sales for the third quarter of 2007 were $2.8 billion compared to $2.0 billion in the prior year. Total net redemptions for the third quarter were $473 million compared to net sales of $12 million in the prior year. Total year-to-date sales for 2007 were $9.7 billion compared to $8.7 billion in the prior year. Total net sales were $841 million compared to $1.6 billion in the prior year.

INVESTMENT PLANNING COUNSEL OPERATIONS

Assets under administration were $12.7 billion as at September 30, 2007 compared to $9.6 billion at September 30, 2006. Counsel Group of Funds mutual fund assets under management at September 30, 2007 were $2.3 billion compared to $2.0 billion at September 30, 2006.

Mutual fund sales of the Counsel Group of Funds for the third quarter of 2007 were $80 million compared to $63 million in 2006 and mutual fund net sales were $34 million compared to $19 million in the prior year. Year-to-date mutual fund sales for 2007 were $298 million compared to $269 million in the prior year and mutual fund net sales were $140 million compared to $121 million a year ago.

DIVIDENDS

The Board of Directors has declared a quarterly dividend of $0.359375 per share on the Company's 5.75% Non-Cumulative First Preferred Shares, Series "A" payable on December 31, 2007 to shareholders of record on November 30, 2007 and has declared a quarterly dividend of 46.0 cents per share on the Company's common shares payable on January 28, 2008 to shareholders of record on December 28, 2007.

On behalf of the Board of Directors,

Murray J. Taylor
Co-President and
Chief Executive Officer
IGM Financial Inc.

Charles R. Sims
Co-President and
Chief Executive Officer
IGM Financial Inc.

October 31, 2007

Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) presents management's view of the operations and financial condition of IGM Financial Inc. (IGM Financial or the Company) as at and for the three and nine months ended September 30, 2007, compared with the same periods in 2006, and should be read in conjunction with the 2006 IGM Financial Inc. Annual Report and the 2007 IGM Financial Inc. First and Second Quarter Report to Shareholders filed on www.sedar.com. Commentary in the MD&A as at and for the three and nine months ended September 30, 2007 is as of October 30, 2007.

FORWARD-LOOKING INFORMATION

This report may contain forward-looking statements about IGM Financial, 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", "plans", "believes", "estimates", "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". 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, 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, 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 and integrate acquisitions and the Company's success in anticipating and managing the foregoing risks. 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. Other than as specifically required by applicable law, the Company has no specific intention to update any forward-looking statements whether as a result of new information, future events or otherwise.

IGM Financial Inc.

Summary of Consolidated Operating Results

Net income for the three months ended September 30, 2007 was $218.4 million compared to net income of $191.4 million for the same period in 2006, an increase of 14.1%. Diluted earnings per share were 82 cents for the period compared to 72 cents in 2006, an increase of 13.9% for the quarter.

Net income for the nine months ended September 30, 2007 was $644.8 million compared to adjusted net income of $563.4 million in 2006, an increase of 14.4%. Diluted earnings per share were $2.41 in 2007 compared to adjusted diluted earnings per share of $2.11 in 2006, an increase of 14.2%. Adjusted net income and earnings per share for the nine months ended September 30, 2006 excluded a non-cash income tax benefit recorded in the second quarter resulting from decreases in the federal corporate income tax rates and their effect on the future income tax liability related to indefinite life intangible assets arising from the acquisition of Mackenzie Financial Corporation in 2001. Net income for the nine months ended September 30, 2006 without adjustment totalled $577.1 million and diluted earnings per share on this basis were $2.16.

Shareholders' equity was $4.1 billion as at September 30, 2007, up from $3.8 billion at December 31, 2006. Return on average common equity for the nine months ended September 30, 2007 was 21.5% compared with adjusted return on average common equity of 21.0% for the same period in 2006.

The quarterly dividend per common share of 46.00 cents declared in the third quarter of 2007 represented an increase of 3.25 cents or 7.6% from the 42.75 cent dividend declared in the second quarter.

NON-GAAP FINANCIAL MEASURES

In the prior year, for the nine months ended September 30, 2006, adjusted net income, adjusted diluted earnings per share (EPS) and adjusted return on common equity (ROE) excluded a non-cash income tax benefit of $13.7 million recorded in the second quarter resulting from decreases in federal corporate

TABLE 1: RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

($ millions)	THREE MONTHS ENDED SEPTEMBER 30 2007	2006	NINE MONTHS ENDED SEPTEMBER 30 2007	2006
Adjusted net income – Non-GAAP measure	**$ 218.4**	$ 191.4	**$ 644.8**	$ 563.4
Non-cash income tax benefit	**–**	–	**–**	13.7
Net income – GAAP	**$ 218.4**	$ 191.4	**$ 644.8**	$ 577.1
Adjusted earnings per share – Non-GAAP measure	**$ 0.82**	$ 0.72	**$ 2.41**	$ 2.11
Non-cash income tax benefit	**–**	–	**–**	0.05
Earnings per share – GAAP	**$ 0.82**	$ 0.72	**$ 2.41**	$ 2.16
EBITDA – Non-GAAP measure	**$ 432.5**	$ 386.4	**$ 1,278.4**	$ 1,135.4
Commission amortization	**(83.6)**	(73.6)	**(246.2)**	(220.3)
Amortization of capital and intangible assets	**(6.8)**	(5.2)	**(18.2)**	(15.9)
Interest expense on long-term debt and dividends on preferred shares	**(26.4)**	(26.4)	**(78.5)**	(78.6)
Income before income taxes and non-controlling interest	**315.7**	281.2	**935.5**	820.6
Income taxes	**(96.5)**	(89.6)	**(288.4)**	(242.1)
Non-controlling interest	**(0.8)**	(0.2)	**(2.3)**	(1.4)
Net income – GAAP	**$ 218.4**	$ 191.4	**$ 644.8**	$ 577.1

TABLE 2: CONSOLIDATED OPERATING RESULTS BY SEGMENT

Three months ended September 30 ($ millions)	INVESTORS GROUP 2007	2006	MACKENZIE 2007	2006	CORPORATE & OTHER 2007	2006	TOTAL 2007	2006
Fee income	**$ 387.6**	$ 334.7	**$ 262.9**	$ 224.2	**$ 36.5**	$ 28.8	**$ 687.0**	$ 587.7
Net investment income and other	**25.4**	38.1	**6.6**	6.5	**11.8**	10.8	**43.8**	55.4
	413.0	372.8	**269.5**	230.7	**48.3**	39.6	**730.8**	643.1
Operating expenses								
Commissions	**115.9**	97.6	**99.0**	90.1	**23.1**	17.5	**238.0**	205.2
Non-commission	**70.6**	64.2	**74.3**	62.1	**10.0**	8.2	**154.9**	134.5
	186.5	161.8	**173.3**	152.2	**33.1**	25.7	**392.9**	339.7
Earnings before interest and taxes	**$ 226.5**	$ 211.0	**$ 96.2**	$ 78.5	**$ 15.2**	$ 13.9	**337.9**	303.4
Interest expense							**22.2**	22.2
Income before income taxes and non-controlling interest							**315.7**	281.2
Income taxes							**96.5**	89.6
Income before non-controlling interest							**219.2**	191.6
Non-controlling interest							**0.8**	0.2
Net income							**$ 218.4**	$ 191.4

Nine months ended September 30 ($ millions)	INVESTORS GROUP 2007	2006	MACKENZIE 2007	2006	CORPORATE & OTHER 2007	2006	TOTAL 2007	2006
Fee income	**$1,129.9**	$ 992.0	**$ 785.1**	$ 687.7	**$ 106.9**	$ 84.4	**$2,021.9**	$1,764.1
Net investment income and other	**98.2**	113.0	**19.5**	20.3	**33.9**	28.6	**151.6**	161.9
	1,228.1	1,105.0	**804.6**	708.0	**140.8**	113.0	**2,173.5**	1,926.0
Operating expenses								
Commissions	**342.8**	287.3	**295.9**	274.9	**66.9**	51.6	**705.6**	613.8
Non-commission	**215.1**	204.9	**223.9**	196.4	**27.3**	24.1	**466.3**	425.4
	557.9	492.2	**519.8**	471.3	**94.2**	75.7	**1,171.9**	1,039.2
Earnings before interest and taxes	**$ 670.2**	$ 612.8	**$ 284.8**	$ 236.7	**$ 46.6**	$ 37.3	**1,001.6**	886.8
Interest expense							**66.1**	66.2
Income before income taxes and non-controlling interest							**935.5**	820.6
Income taxes							**288.4**	242.1
Income before non-controlling interest							**647.1**	578.5
Non-controlling interest							**2.3**	1.4
Net income								
In accordance with GAAP							**$ 644.8**	$ 577.1
Excluding a non-cash income tax benefit (1)							**$ 644.8**	$ 563.4

(1) *Refer to Summary of Consolidated Operating Results for an explanation of the Company's use of non-GAAP financial measures.*

income tax rates and their effect on the future income tax liability related to indefinite life intangible assets. While these non-GAAP financial measures are used to provide management and investors with additional measures to assess earnings performance, they do not have standard meanings and are not directly comparable to similar measures used by other companies.

Earnings before interest and taxes (EBIT) and earnings before interest, taxes, depreciation and amortization (EBITDA) are non-GAAP financial measures. EBIT and EBITDA are alternative measures of performance utilized by management, investors and investment analysts to evaluate and analyze the Company's results. EBITDA is discussed further in the Consolidated Liquidity section later in this MD&A. These non-GAAP financial measures do not have standard meanings and are not directly comparable to any GAAP measure or to similar measures used by other companies.

The reconciliation of non-GAAP results to reported results in accordance with GAAP for net income, EPS and EBITDA is provided in Table 1. The reconciliation of non-GAAP results to reported results in accordance with GAAP related to EBIT is provided in Table 2.

REPORTABLE SEGMENTS

IGM Financial's reportable segments, which reflect the current organizational structure, are:

- Investors Group
- Mackenzie
- Corporate and Other.

Management measures and evaluates the performance of these segments based on EBIT as shown in Table 2.

Discussion of Investors Group and Mackenzie Segment Operating Results is contained in their respective sections of this MD&A.

The Corporate and Other segment includes operating results for Investment Planning Counsel, net investment income earned on unallocated investments and other income as well as inter-segment eliminations.

Earnings before interest and taxes for Corporate and Other were $15.2 million and $46.6 million for the three- and nine-month periods ended September 30, 2007 compared to $13.9 million and $37.3 million for the comparative periods in 2006. Earnings before interest and taxes related to Investment Planning Counsel were at 2006 levels for the three-month period and were $3.6 million higher than 2006 levels for the nine-month period. Net investment income on unallocated investments increased by $1.0 million and $5.1 million in the three- and nine-month periods in 2007 compared with 2006 as a result of higher balances and increases in interest rates.

Certain items reflected in Table 2 are not allocated to segments:

- *Interest expense* – Represents the interest expense on the remaining debt issued pursuant to the Mackenzie acquisition as well as dividends paid on the outstanding preferred shares. Interest expense on long-term debt totalled $17.0 million and $50.6 million for the three- and nine-month periods ended September 30, 2007 compared with $17.0 million and $50.7 million, respectively, in 2006. Dividends paid on preferred shares were $5.2 million and $15.5 million for the three- and nine-month periods in 2007, unchanged from 2006.
- *Income taxes* – The effective income tax rate for the three months ended September 30, 2007 was 30.5% compared with 31.8% in 2006, as shown in Table 3. The change in the effective income tax rate relates primarily to the amount of favourable tax experience recognized in 2007 compared with 2006 as reflected in the Other items line in Table 3.

  The effective income tax rate for the nine months ended September 30, 2007 was 30.8% compared with 29.5% in 2006, as shown in Table 3. The 2006 effective income tax rate was lower as a result of decreases in federal corporate income tax rates and the resulting reduction in the future income tax liability related to indefinite life intangible assets arising from the acquisition of Mackenzie Financial Corporation in 2001. In 2006, the Company recorded a $13.7 million ($0.05 per share) non-cash income tax benefit in the second quarter. This resulted in a 1.66% reduction in the effective income tax rate for the nine months ended September 30, 2006. The benefit of the reduction

TABLE 3: EFFECTIVE INCOME TAX RATE

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2007	2006	**2007**	2006
Income taxes at Canadian federal and provincial statutory rates	**35.11%**	35.45%	**35.11%**	35.47%
Effect of:				
Dividend income	**(0.37)**	(0.16)	**(0.26)**	(0.16)
Net capital gains and losses	**(0.40)**	(0.88)	**(0.64)**	(0.91)
Share of earnings of affiliate	**(2.64)**	(2.36)	**(2.54)**	(2.55)
Preferred dividends paid	**0.59**	0.67	**0.60**	0.69
Other items	**(1.74)**	(0.89)	**(1.44)**	(1.38)
Effective income tax rate, excluding item noted below	**30.55**	31.83	**30.83**	31.16
Impact of rate changes on future income taxes related to indefinite life intangible assets in 2006	**–**	–	**–**	(1.66)
Effective income tax rate	**30.55%**	31.83%	**30.83%**	29.50%

in federal and provincial corporate income tax rates on other operating future income tax assets and liabilities is reflected in the Other items line.

Continuous tax planning may cause the Company to record lower or higher income taxes in the current period and, as well, income taxes recorded in prior periods may be adjusted in the current period to reflect management's best estimates of the overall adequacy of its provisions at that time. Any related tax benefit/cost or changes in management's best estimates are reflected in Other items, which also includes, but is not limited to, the effect of lower effective tax rates on income not subject to tax in Canada. Management monitors the status of its income tax filings, and regularly assesses the overall adequacy of its provision for income taxes.

Investors Group

Assets Under Management

The level of assets under management is influenced by three factors: sales, redemptions and investment returns. The changes in assets under management in 2007 compared with 2006 are reflected in Table 4.

Investors Group's mutual fund assets under management were $61.2 billion at September 30, 2007 as shown in Table 4. This level of assets represented a decrease of $129 million or 0.2% from June 30, 2007 and reflected $370 million in net sales and market depreciation of $499 million for the quarter. During the nine-month period ended September 30, 2007, assets increased by $3.0 billion or 5.1% and reflected $1.8 billion in net sales and market appreciation of $1.2 billion.

For the three months ended September 30, 2007, sales of Investors Group mutual funds through its Consultant network were $1.6 billion, an increase of 28.0% from 2006. Mutual fund redemptions, which totalled $1.2 billion for the same period, increased 9.4% from 2006 levels. Investors Group's twelve month trailing redemption rate for long-term funds decreased to a record low for the Company of 7.3% at September 30, 2007 from 8.1% at September 30, 2006 and remains well below the corresponding average redemption rate of approximately 14.5% for all other members of the Investment Funds Institute of Canada (IFIC) at September 30, 2007. Net sales of Investors Group mutual funds for the three-month period ended September 30, 2007 were $370 million compared with net sales of $127 million in 2006, an increase of 191.7%. Sales of long-term funds were $1.3 billion for the three months ended September 30, 2007, compared with $1.0 billion in 2006, an increase of 26.3%. Net sales of long-term funds were $253 million compared to net sales of $45 million in 2006.

For the nine months ended September 30, 2007, sales of Investors Group mutual funds through its Consultant network were $5.6 billion, an increase of 19.2% from 2006. Mutual fund redemptions, which totalled $3.8 billion for the same period, increased 3.7% from 2006 levels. Net sales of Investors Group mutual funds for the nine-month period were $1.8 billion in 2007 compared with net sales of $1.0 billion in 2006, an increase of 75.5%. Sales of long-term funds were $4.7 billion for the nine months ended September 30, 2007, compared with $4.0 billion in

TABLE 4: CHANGE IN MUTUAL FUND ASSETS UNDER MANAGEMENT – INVESTORS GROUP

	THREE MONTHS ENDED SEPTEMBER 30			NINE MONTHS ENDED SEPTEMBER 30		
($ millions)	**2007**	2006	CHANGE	**2007**	2006	CHANGE
Sales	**$ 1,592.6**	$ 1,244.4	28.0%	**$ 5,592.0**	$ 4,692.5	19.2%
Redemptions	**1,221.8**	1,117.3	9.4	**3,819.7**	3,682.6	3.7
Net sales	**370.8**	127.1	191.7	**1,772.3**	1,009.9	75.5
Market and income	**(499.3)**	2,034.6	(124.5)	**1,217.1**	2,281.9	(46.7)
Net change in assets	**(128.5)**	2,161.7	(105.9)	**2,989.4**	3,291.8	(9.2)
Beginning assets	**61,333.7**	51,831.1	18.3	**58,215.8**	50,701.0	14.8
Ending assets	**$ 61,205.2**	$ 53,992.8	13.4%	**$ 61,205.2**	$ 53,992.8	13.4%
Consists of:						
Investors Masterseries™ funds				**$ 52,451.6**	$ 46,432.7	13.0%
IG Mackenzie partner funds				**2,736.7**	2,345.5	16.7
Partner funds				**5,440.2**	4,683.1	16.2
*i*Profile™ funds				**576.7**	531.5	8.5
				$ 61,205.2	$ 53,992.8	13.4%
Average daily assets	**$ 60,699.5**	$ 53,105.3	14.3%	**$ 60,362.1**	$ 52,700.9	14.5%

2006, an increase of 18.6%. Net sales of long-term funds were $1.4 billion compared to net sales of $772 million in 2006, an increase of 86.6%.

At September 30, 2007, 29% of Investors Masterseries™ mutual funds had four or five star ratings from the Morningstar† fund ranking service and 70% had a rating of three stars or better. In comparison, the Morningstar† universe is 31% for four and five star funds and 67% for three stars or better at September 30, 2007. Morningstar Ratings† are an objective, quantitative measure of a fund's three, five and ten year risk-adjusted performance relative to comparable funds.

On July 20, 2007, six fund mergers were completed involving funds with identical or substantially similar investment mandates. The mergers will help facilitate more efficient management of the funds, provide better investment diversification opportunities and, in some instances, result in lower fees.

On July 23, 2007, Investors Group launched the IG Mackenzie Cundill Global Value Fund and the IG Mackenzie Cundill Global Value Class. The investment portfolios of these two new funds are advised by the portfolio management team at Mackenzie Cundill Investment Management Ltd.

On September 24, 2007, Investors Group announced plans to expand its funds focussed on socially responsible investing by adding Investors Summa Global SRI™ Fund and Investors Summa Global Environmental Leaders™ Fund and changing the name of the Investors Summa™ Fund to Investors Summa SRI™ Fund. The funds are expected to be available for investment in November, subject to regulatory approval.

FIXED RATE ADMINISTRATION FEE ON INVESTORS GROUP MUTUAL FUNDS

At meetings held on September 28, 2007, securityholders approved Investors Group's proposal to establish a fixed rate administration fee to take effect on October 1, 2007 for the applicable Investors Group mutual funds. As a result, the management expense ratios (the "MERs") for these series of units or shares will become substantially fixed and more predictable going forward. Investors Group will now bear the applicable operating expenses of these Funds, in return for a fixed rate administration fee.

Other Products and Services

INSURANCE

Investors Group distributes insurance products through I.G. Insurance Services Inc. For the three months ended September 30, 2007, sales of insurance products as measured by new annualized premiums were $10.0 million compared with $8.2 million in 2006. For the nine months ended September 30, 2007, sales of insurance products were $28.1 million compared with $24.9 million in 2006. Total face amount of insurance in force at September 30, 2007 was $43.2 billion, an increase of $3.2 billion from September 30, 2006.

SECURITIES OPERATIONS

Investors Group provides securities services to clients through Investors Group Securities Inc. At September 30, 2007, assets under administration in Investors Group Securities Inc. were $1.3 billion.

MORTGAGE OPERATIONS

Investors Group Consultants refer clients who are seeking residential mortgages to Investors Group mortgage planning specialists who originate mortgages in key residential markets.

For the three months ended September 30, 2007, mortgage originations were $282 million compared with $223 million in 2006. For the nine months ended September 30, 2007, mortgage originations were $915 million compared with $772 million in 2006.

Through its mortgage banking operations, mortgages are sold to third parties, including bank-sponsored securitization trusts, or placed with Investors Mortgage and Short Term Income Fund or Investors Group's intermediary operations. Investors Group also provides the ongoing servicing of these mortgages.

SOLUTIONS BANKING†

Investors Group provides banking services to its clients through Solutions Banking†. The offering consists of a wide range of products and services provided by the National Bank of Canada under a long-term distribution agreement and includes: investment loans, lines of credit, personal loans, creditor insurance, deposit accounts and credit cards.

SEGREGATED FUNDS

At September 30, 2007, Investors Group offered its clients 22 segregated funds distributed solely by Investors Group Consultants. These segregated funds are underwritten by The Great-West Life Assurance Company and invest in mutual funds managed by Investors Group. At September 30, 2007, total segregated fund assets were $255.9 million compared to $119.4 million at September 30, 2006.

ADDITIONAL PRODUCTS AND SERVICES

Investors Group also offers to its clients guaranteed investment certificates issued by Investors Group Trust Co. Ltd. and by a number of other financial institutions.

Consultant Network

Investors Group is focused on growing its distribution network by attracting and training new Consultants as well as retaining existing Consultants. This is discussed more fully in the Investors Group Review of the Business contained in the 2006 IGM Financial Inc. Annual Report. As at September 30, 2007, the number of Consultants totalled 4,225 compared to 3,917 at December 31, 2006 and 3,860 one year ago. The number of Consultants with more than four years experience was 2,296 compared to 2,205 at December 31, 2006 and 2,174 one year ago. The Consultant network has grown in each of the last thirteen consecutive quarters and now stands at its highest level on record.

In 2007, Investors Group is adding seven new regional offices in North Vancouver Island, St. Catharines, Pickering, Brantford/Cambridge, North Bay as well as two offices in Quebec City.

Segment Operating Results

Investors Group's earnings from operations before interest and taxes for the three- and nine-month periods ended September 30, 2007 compared with 2006 are presented in Table 5.

FEE AND NET INVESTMENT INCOME

For the three months ended September 30, 2007, management fee income increased by $37.4 million or 14.3% to $298.3 million consistent with the increase in average daily mutual fund assets during the quarter compared with 2006. For the nine-month period, management fee income increased by $111.0 million or 14.4% compared to the increase of 14.5% in average daily mutual fund assets. Management fee income represented 195 basis points of average daily mutual fund assets in both the three- and nine-month periods ended September 30, 2007, unchanged from 2006.

Investors Group receives administration fees for providing administrative services to its mutual funds through certain of its subsidiaries and trusteeship services to its unit trust mutual funds. Administration fees totalled $56.2 million for the three months ended September 30, 2007, up from $45.3 million in 2006. Fees for the nine months ended September 30, 2007 were $153.4 million compared to $135.5 million in 2006. The increase in fee income for both the three- and nine-month periods relates in part to increases in fees charged to the funds for administrative services and to increases in trustee fees and other service fees resulting from the growth in average mutual fund assets.

Distribution fees are earned from:

- Redemption fees on mutual funds sold with a back-end load feature.
- Distribution of insurance products through I.G. Insurance Services Inc.
- Securities trading services provided through Investors Group Securities Inc.
- Banking services provided through Solutions Banking†, an arrangement with the National Bank of Canada.

Distribution fee income of $33.1 million for the three months ended September 30, 2007 increased by 16.1% from $28.5 million in 2006. For the nine-month period, distribution fee income of $95.2 million increased by 10.4% from $86.2 million in 2006. The increase in both the three- and nine-month periods was primarily due to increases in distribution fee income from banking and securities services as well as insurance products. Redemption fee income of $8.1 million and $25.4 million for the three- and nine-month periods in 2007 compared with $7.8 million and $26.2 million in 2006, respectively.

TABLE 5: OPERATING RESULTS – INVESTORS GROUP

	THREE MONTHS ENDED SEPTEMBER 30			NINE MONTHS ENDED SEPTEMBER 30		
($ millions)	**2007**	2006	CHANGE	**2007**	2006	CHANGE
Fee and net investment income						
Management	**$ 298.3**	$ 260.9	14.3%	**$ 881.3**	$ 770.3	14.4%
Administration	**56.2**	45.3	24.1	**153.4**	135.5	13.2
Distribution	**33.1**	28.5	16.1	**95.2**	86.2	10.4
Net investment income and other	**25.4**	38.1	(33.3)	**98.2**	113.0	(13.1)
	413.0	372.8	10.8	**1,228.1**	1,105.0	11.1
Operating expenses						
Commissions	**56.4**	46.5	21.3	**166.0**	135.8	22.2
Asset retention bonus and premium	**59.5**	51.1	16.4	**176.8**	151.5	16.7
Non-commission	**70.6**	64.2	10.0	**215.1**	204.9	5.0
	186.5	161.8	15.3	**557.9**	492.2	13.3
Earnings before interest and taxes	**$ 226.5**	$ 211.0	7.3%	**$ 670.2**	$ 612.8	9.4%

Net investment income represents the difference between investment income and interest expense. Interest expense includes interest on deposit liabilities, certificates and debt incurred to finance Investors Group's investment in Great-West Lifeco Inc. (GWL).

Net investment income and other totalled $25.4 million and $98.2 million for the three- and nine-month periods ended September 30, 2007 compared to $38.1 million and $113.0 million in 2006, respectively. In both the three- and nine-month periods, increases in Investors Group's share of GWL earnings and in other income were offset in large part by decreases in gains on the sale of securities.

The decline in net investment income in both the three- and nine-month periods in 2007 compared with 2006 was due primarily to the decrease in net revenues related to the Company's mortgage banking operations. During the third quarter of 2007, credit spreads increased significantly above historical levels for asset-backed commercial paper structures due to unfavourable capital market conditions. As a result, the Company recorded a non-cash fair value adjustment of $13.2 million to the retained interest receivable related to the bank-sponsored securitization trusts into which it sells a portion of its mortgage originations.

OPERATING EXPENSES

Investors Group incurs commission expense in connection with the distribution of its financial services and products, particularly its mutual funds. Commissions are paid on the sale of these products and will fluctuate with the level of sales. Commission expense for the three months ended September 30, 2007 increased by $9.9 million to $56.4 million compared with $46.5 million in 2006. For the nine months ended September 30, 2007, commission expense increased by $30.2 million to $166.0 million from $135.8 million in 2006.

The increase in commission expense was due primarily to:

- Increase in amortization of commissions totalling $5.9 million for the three months and $21.4 million for the nine months related to prior years' sales. This increase reflects the impact from the change in estimate, effective April 1, 2001, which increased the term of amortization on mutual fund sales commissions to 72 months.
- Increase of $3.3 million for the three months and $7.3 million for the nine months in other compensation related to mutual fund operations, insurance, mortgage and banking products due to higher sales.

The asset retention bonus (ARB) and premium (ARP) expenses, which are based on the level of assets under management, are comprised of the following:

- ARB which is paid monthly and is based on the value of assets under management. ARB expense increased by $6.4 million for the three-month period to $50.5 million and increased by $19.3 million for the nine-month period to $149.8 million as a result of the increase in assets under management.
- ARP which is a deferred component of compensation designed to promote Consultant retention and which is based on assets under management at each year-end. ARP expense increased by $2.0 million and $6.0 million in the three- and nine-month periods ended September 30, 2007 compared to 2006.

Non-commission expenses increased $6.4 million to $70.6 million for the three months ended September 30, 2007. For the nine-month period non-commission expense increased $10.2 million to $215.1 million. Non-commission expenses include costs incurred by Investors Group related to the administration of its mutual funds. Non-commission expenses also include Consultant network support costs and expenses related to the marketing and management of its mutual funds and other products as well as other operating expenses. Non-commission expense for the three and nine months ended September 30, 2006 also included a reduction in expenses of $4.6 million arising from a change in estimate related to credit losses in the Company's mortgage operations.

Mackenzie
Assets Under Management

Mackenzie's total assets under management at September 30, 2007 were $63.5 billion, a decrease of $1.5 billion or 2.3% from $65.0 billion at June 30, 2007. Total assets under management increased $2.0 billion or 3.2% from $61.5 billion at December 31, 2006 and increased $6.7 billion or 11.8% from $56.8 billion as at September 30, 2006. Mackenzie's mutual fund assets under management were $47.5 billion at September 30, 2007, an increase of $0.9 billion or 1.9% from $46.6 billion at December 31, 2006 and an increase of $4.0 billion or 9.2% from $43.5 billion as at September 30, 2006. Mackenzie's institutional account assets at September 30, 2007 were $15.9 billion, a 7.5% increase from $14.8 billion at December 31, 2006 and an increase of $2.8 billion or 21.0% from September 30, 2006. Mackenzie's structured products totalled $98.5 million at September 30, 2007, a decrease of $48.9 million from September 30, 2006.

Monthly average total assets under management, which are generally more indicative of trends in revenue for providing investment management services than the period over period change in ending assets under management, increased 21.3% as compared to the same period last year. The changes in assets under management are summarized in Table 7.

In the three months ended September 30, 2007, Mackenzie's gross sales were $2.8 billion, an increase of 37.9% from $2.0 billion in the comparative period last year. Redemptions in the current period were $3.3 billion as compared to redemptions of $2.0 billion in 2006. Net redemptions for the three months ended September 30, 2007 were $0.5 billion, as compared to net sales of $12.0 million last year. During the current quarter, net market depreciation resulted in assets decreasing by $1.0 billion as compared to an increase of $1.3 billion in the comparative period last year.

In the nine months ended September 30, 2007, Mackenzie's gross sales were $9.7 billion, an increase of 12.4% from $8.7 billion in the comparative period last year. Redemptions in the nine months ended September 30, 2007 were $8.9 billion as compared to redemptions of $7.0 billion in 2006. Net sales for the nine months ended September 30, 2007 were $0.8 billion, as compared to net sales of $1.6 billion last year. Net market appreciation in the nine-month period ended September 30, 2007 resulted in assets increasing by $1.1 billion as compared to an increase in assets of $2.0 billion in the comparative period last year.

On September 22, 2006, Mackenzie acquired the assets of the Cundill Group, resulting in the addition of $3.3 billion to its assets under management as of the acquisition date.

TABLE 6: ASSETS UNDER MANAGEMENT – MACKENZIE

As at September 30 *($ millions)*	**2007**	2006	CHANGE
Mutual Funds	**$ 47,491.8**	$ 43,497.9	9.2%
Institutional Accounts			
Subadvisory	**14,134.7**	11,022.2	28.2
Investment advisory	**1,327.3**	1,488.8	(10.8)
High net worth	**443.1**	635.0	(30.2)
	15,905.1	13,146.0	21.0
Structured Products	**98.5**	147.4	(33.2)
Total	**$ 63,495.4**	$ 56,791.3	11.8%
Daily average mutual fund assets	**$ 47,844.8**	$ 42,981.3	11.3%
Monthly average total assets	**$ 63,795.6**	$ 52,596.0	21.3%

TABLE 7: CHANGES IN ASSETS UNDER MANAGEMENT – MACKENZIE

	THREE MONTHS ENDED SEPTEMBER 30			NINE MONTHS ENDED SEPTEMBER 30		
	2007	2006	CHANGE	**2007**	2006	CHANGE
Sales	**$ 2,783.7**	$ 2,018.7	37.9%	**$ 9,735.9**	$ 8,658.2	12.4%
Redemptions	**3,256.4**	2,007.0	62.3	**8,894.8**	7,021.1	26.7
Net sales (redemptions)	**(472.7)**	11.7	N/M	**841.1**	1,637.1	(48.6)
Assets acquired	**–**	3,291.7	N/M	**–**	3,291.7	N/M
Net new money	**(472.7)**	3,303.4	(114.3)	**841.1**	4,928.8	(82.9)
Market and income	**(1,015.6)**	1,282.7	(179.2)	**1,112.1**	2,009.6	(44.7)
Net change in assets	**(1,488.3)**	4,586.1	(132.5)	**1,953.2**	6,938.4	(71.8)
Beginning assets	**64,983.7**	52,205.2	24.5	**61,542.2**	49,852.9	23.4
Ending assets	**$ 63,495.4**	$ 56,791.3	11.8%	**$ 63,495.4**	$ 56,791.3	11.8%

As at September 30, 2007, Mackenzie's twelve-month trailing redemption rate for long-term mutual funds was 14.2%, as compared to 15.1% last year. The average twelve-month trailing redemption rate for long-term funds for all other members of IFIC declined to approximately 13.8% at September 30, 2007 from 14.8% last year. Mackenzie's twelve month trailing redemption rate is comprised of the weighted average redemption rate for front-end load assets, deferred sales charge and low load units with redemption fees, and matured deferred sales charge units without redemption fees (matured units). Generally, redemption rates for front-end load units and matured units are higher than the average.

At September 30, 2007, 36% of Mackenzie's mutual fund assets measured by the Morningstar† fund ranking service had four or five star ratings and 64% had a rating of three stars or better.

On July 24, 2007, Mackenzie launched a 6% Series T option on the complete line of Mackenzie mutual funds that offer Series T. This distribution option, which is called Mackenzie Series T6, has been added to the 20 mutual funds that currently pay an 8% distribution through Series T so that investors can choose the income stream that best suits their financial planning needs.

On August 16, 2007, Mackenzie launched the Mackenzie Cundill Global Dividend Fund. The fund is managed by the portfolio management team at Mackenzie Cundill Investment Management Ltd. The fund offers tax-efficient monthly distributions and exposure to global value opportunities.

On August 17, 2007, a fund merger was completed involving two funds with similar global equity mandates and growth management styles. The investors in the merged fund benefit from the continuing fund's lower management fee.

On September 26, 2007, the MSP ArMADA Protected Deposit Notes, Series 7 & 8 were launched. The notes provide investors with return potential based on the performance of Mackenzie Founders Fund, a diversified fund of funds that invests in four Mackenzie funds: Mackenzie Growth Fund, Mackenzie Cundill Value Fund, Mackenzie Maxxum Dividend Fund and Mackenzie Ivy Foreign Equity Fund.

FIXED RATE ADMINISTRATION FEE ON MACKENZIE'S MUTUAL FUNDS

On August 7, 2007, Mackenzie's mutual fund investors approved a proposal to change the method of charging operating expenses for most retail series of the Mackenzie funds. Effective August 1, 2007, Mackenzie assumed responsibility for the applicable operating expenses of the Mackenzie funds, other than GST and certain specified fund costs, in return for a fixed rate administration fee established for each fund. The results for the quarter reflect the new fixed rate administration fee and the additional costs that were previously borne by the funds related to the proposal effective August 1, 2007.

Segment Operating Results

Mackenzie's earnings from operations before interest and taxes for the three and nine months ended September 30, 2007 compared with 2006 are presented in Table 8.

FEE AND NET INVESTMENT INCOME

Mackenzie's management fee revenues are earned from services it provides as fund manager to the Mackenzie mutual funds and as investment advisor to institutional accounts. The majority of Mackenzie's mutual funds are distributed on a retail priced basis, however, it also offers various series of these funds with management fees that are designed for fee-based programs, large accounts and third party investment programs offered by banks, insurance companies and investment dealers. In these programs, Mackenzie does not pay trailing commissions or selling commissions. At September 30, 2007, there were $7.8 billion of mutual fund assets in these series of the funds, as compared to $5.8 billion at September 30, 2006.

Management fees were $221.9 million for the three months ended September 30, 2007, an increase of $36.5 million or 19.7% from $185.4 million last year. For the nine-month period ended September 30, 2007,

TABLE 8: OPERATING RESULTS – MACKENZIE

($ millions)	THREE MONTHS ENDED SEPTEMBER 30 **2007**	2006	CHANGE	NINE MONTHS ENDED SEPTEMBER 30 **2007**	2006	CHANGE
Fee and net investment income						
Management	**$ 221.9**	$ 185.4	19.7%	**$ 658.5**	$ 564.9	16.6%
Administration	**34.1**	31.6	7.9	**104.2**	97.8	6.5
Distribution	**6.9**	7.2	(4.2)	**22.4**	25.0	(10.4)
Net investment income and other	**6.6**	6.5	1.5	**19.5**	20.3	(3.9)
	269.5	230.7	16.8	**804.6**	708.0	13.6
Operating expenses						
Commissions	**41.2**	37.9	8.7	**121.8**	119.0	2.4
Trailing commissions	**57.8**	52.2	10.7	**174.1**	155.9	11.7
Non-commission	**74.3**	62.1	19.6	**223.9**	196.4	14.0
	173.3	152.2	13.9	**519.8**	471.3	10.3
Earnings before interest and taxes	**$ 96.2**	$ 78.5	22.5%	**$ 284.8**	$ 236.7	20.3%

management fees were $658.5 million, an increase of $93.6 million or 16.6% from $564.9 million in 2006. Increases in management fees in both the three- and nine-month periods are due to the growth in Mackenzie's monthly average total assets under management and were offset in part by the decline in its average management fee rate.

Monthly average total assets under management were $64.2 billion in the three-month period and $63.8 billion in the nine-month period ended September 30, 2007 compared to $53.2 billion and $52.6 billion respectively, in 2006.

Mackenzie's average management fee rate was 137.2 basis points in the three-month period and 138.0 basis points in the nine-month period ended September 30, 2007 compared to 138.2 basis points and 143.6 basis points respectively, in 2006. The average management fee rate in the comparative period reflects Mackenzie's acquisition of the Cundill Group on September 22, 2006. The decrease in the average management fee rate in both the three- and nine-month periods ended September 30, 2007 as compared to 2006 was due to the higher growth in Mackenzie's institutional accounts and non-retail priced mutual funds relative to the growth in its retail priced mutual funds as institutional assets and non-retail priced mutual funds have lower management fees. In addition, changes in asset mix within Mackenzie's sub-brands of retail priced mutual funds affected average management fee rates.

Administration fees include the following main components:

- Administration fees for providing services to the Mackenzie mutual funds and structured products.
- Asset allocation fees.
- Trustee and other administration fees generated from the MRS account administration business.

Administration fees were $34.1 million for the three months ended September 30, 2007, as compared to $31.6 million in the comparative period last year. Administration fees were $104.2 million for the nine months ended September 30, 2007, as compared to $97.8 million in 2006. Mackenzie's administration fees for providing administrative services to its mutual funds increased in 2007 for both periods.

Mackenzie earns distribution fee income on redemptions of mutual fund units sold on a deferred sales charge basis and on a low load basis. Distribution fees charged for deferred sales charge assets range from 5.5% in the first year and decrease to zero after seven years. Distribution fees for low load assets range from 3.0% in the first year and decrease to zero after three years. Distribution fee income in the three-month period ended September 30, 2007 was $6.9 million, a decrease of $0.3 million from $7.2 million last year. Distribution fee income for the nine-month period ended September 30, 2007 was $22.4 million, a decrease of $2.6 million from the comparative period last year. Although the total level of redemptions increased in both the three- and nine-month periods ended September 30, 2007 relative to last year, the decline in distribution fee income was due to period over period declines in the absolute level of redemption of units that are subject to a redemption fee.

The primary component of net investment income and other is the net interest margin from M.R.S. Trust Company's lending and deposit-taking operations, and it also includes gains realized at Mackenzie on the disposition of investments in its mutual funds. Net investment income in the three months ended September 30, 2007 was $6.6 million, an increase of $0.1 million from $6.5 million in 2006. Net investment income in the nine months ended September 30, 2007 was $19.5 million, a decrease of $0.8 million from $20.3 million in 2006.

OPERATING EXPENSES

Mackenzie's operating expenses were $173.3 million for the three-month period ended September 30, 2007 and $519.8 million for the nine-month period ended September 30, 2007, increases of 13.9% and 10.3% respectively as compared to the corresponding periods last year.

Mackenzie pays selling commissions to the dealers that sell its mutual funds on a low load and deferred sales charge basis. Commission expense, which represents the amortization of selling commissions, was $41.2 million in the three-month period ended September 30, 2007, as compared to $37.9 million in the comparative period last year. Commission expense in the nine-month period ended September 30, 2007 was $121.8 million as compared to $119.0 million in 2006. Mackenzie amortizes selling commissions over three years from the date of original purchase of the applicable low load units and over a maximum period of seven years from the date of original purchase of the applicable deferred sales charge units.

Trailing commissions paid to dealers are calculated as a percentage of mutual fund assets under management and vary depending on the fund type and whether the fund was purchased on a front-end basis, a deferred sales charge basis or on a low load basis. Trailing commissions are generally not paid on non-retail series of mutual funds and institutional assets. Trailing commissions paid to dealers were $57.8 million in the three months ended September 30, 2007, an increase of $5.6 million or 10.7% from $52.2 million last year. Trail commission expense in the nine-month period ended September 30, 2007 was $174.1 million, an increase of $18.2 million or 11.7% from $155.9 million in the comparative period last year. The increase in trailing commissions is consistent with the year over year growth in average mutual fund assets under management. Trailing commissions as a percentage of average mutual fund assets under management were 48.6 basis points in the nine-month period ended September 30, 2007 as compared to 48.5 basis points last year.

Non-commission expenses were $74.3 million in the three months ended September 30, 2007, an increase of $12.2 million or 19.6% in the current period from $62.1 million last year. Non-commission expenses in the nine months ended September 30, 2007 were $223.9 million, an increase of $27.5 million or 14.0% from $196.4 million in 2006. A component of the non-commission expenses incurred by Mackenzie is related to the administration of its mutual funds. The remaining non-commission expenses relate to costs incurred by Mackenzie in the marketing and management of its mutual funds and in its account administration and trust company businesses. The increase in non-commission expenses is due primarily to Mackenzie's acquisition of the Cundill Group in the third quarter of 2006, an increase in costs in the year related to the distribution and administration of its mutual funds, and additional costs that were previously borne by the funds incurred in the current quarter as a result of the implementation of the fixed rate administration fee on August 1, 2007.

IGM Financial Inc.

Consolidated Financial Position

IGM Financial's on-balance sheet assets totalled $7.7 billion at September 30, 2007 compared to $7.3 billion at December 31, 2006.

The fair value of the Company's securities holdings, net of derivatives classified as fair value hedges, was $620.4 million as at September 30, 2007. This compared to securities holdings, net of derivatives classified as cash flow hedges, of $195.5 million at December 31, 2006. Unrealized gains on the securities portfolio were $31.8 million at September 30, 2007 compared to $53.2 million at December 31, 2006. The Consolidated Balance Sheet as at December 31, 2006 reflected securities carried at cost totalling $142.3 million. The increase of $475.2 million from December 31, 2006 for Securities reflects the:

- Transitional adjustment required to reflect the securities portfolio at fair value in accordance with the new accounting standards related to Financial Instruments as disclosed in Note 1 to the interim Consolidated Financial Statements of $95.7 million.
- Net change in common shares and investment in proprietary mutual funds of $332.6 million.
- Reclassification in the third quarter of non-bank asset backed commercial paper totalling $46.9 million from cash and cash equivalents. The Company recorded a $2.9 million provision representing approximately 10% of the value of the structured financial asset component of the non-bank asset backed commercial paper.

Loans, including mortgages and personal loans, increased by $108.7 million to $597.5 million at September 30, 2007 and represented 7.7% of total assets, compared to 6.7% at December 31, 2006. Residential mortgage loans related to the Company's mortgage banking operations increased $71.1 million. These residential mortgage loans are funded primarily through sales to third parties, including bank-sponsored securitization trusts, on a fully serviced basis and through placements to the Investors Mortgage and Short Term Income Fund. In the Company's deposit operations, personal loans increased by $48.3 million while residential mortgage loans decreased by $10.3 million in the nine-month period to September 30, 2007.

Consolidated Liquidity and Capital Resources

LIQUIDITY

IGM Financial's operating liquidity is required for:

- Financing ongoing operations, including the funding of selling commissions.
- Temporarily financing mortgages in its mortgage banking facility.
- Meeting regular interest and dividend obligations related to long-term debt and preferred shares.
- Payment of quarterly dividends on its outstanding common shares.
- Maintaining liquidity requirements for regulated entities.
- Financing common share repurchases related to the Company's normal course issuer bid.

In addition, a portion of cash and cash equivalents and loans relates to the Company's deposit operations. At September 30, 2007, deposits and certificates totalled $806.0 million compared to $777.5 million at December 31, 2006.

IGM Financial continues to generate significant cash flows from its operations. Earnings before interest, taxes, depreciation and amortization (EBITDA) totalled $432.5 million for the three months ended September 30, 2007 compared to $386.4 million in 2006, and represents an increase of 11.9%. EBITDA totalled $1,278.4 million for the nine months ended September 30, 2007 compared to $1,135.4 million in 2006, and represents an increase of 12.6%.

In addition to IGM Financial's current balance of cash and cash equivalents in excess of the operating liquidity requirements described above, other potential sources of liquidity include the Company's portfolio of securities and lines of credit. The Company maintains operating lines of credit totalling $210 million with various Schedule A Canadian chartered banks, of which $50 million represented committed lines of credit. As at September 30, 2007, the Company had utilized $99.8 million of its uncommitted operating lines of credit. IGM Financial's demonstrated ability to raise funds in domestic debt and equity markets is also a source of liquidity.

Cash Flows

Table 9 – Cash Flows is a summary of the Consolidated Statements of Cash Flows which forms part of the interim Consolidated Financial Statements for the three- and nine-month periods ended September 30, 2007. Cash and cash equivalents increased $52.3 million in the third quarter compared with an increase of $17.8 million in 2006. For the nine-month period, cash and cash equivalents decreased $234.6 million compared with a decrease of $4.0 million in 2006.

Operating activities, before payment of commissions, generated $302.7 million and $818.4 million during the three- and nine-month periods ended September 30, 2007, as compared to $277.3 million and $728.1 million in 2006. Cash commissions paid were $74.7 million and $274.3 million in the three- and nine-month periods compared to $66.2 million and $270.2 million in 2006. While mutual fund sales increased approximately 27% in the three-month period and 11% in the nine-month period over the comparative periods in 2006, commissions paid only increased by 12.8% and 1.5%, respectively, reflecting an increase in the relative proportion in mutual funds assets purchased on a front-end basis rather than on a deferred sales charge basis. Net cash flows from operating activities, net of commissions paid, was $228.0 million and $544.1 million for the three- and nine-month periods ended September 30, 2007, as compared to $211.1 million and $457.9 million in 2006.

Financing activities during the quarter ended September 30, 2007 compared to the same period in 2006 related primarily to:

- A net increase of $28.3 million in deposits and certificates in 2007 compared to a net increase of $50.6 million in 2006. The net increase in both periods related primarily to increases in demand deposit levels.
- The increase in short-term borrowings of $99.8 million in 2007 compared with nil in 2006.
- Proceeds received on the issuance of common shares under the Company's stock option program of $0.9 million in 2007 compared with $4.0 million in 2006.
- The payment of regular common share dividends which increased to $113.2 million in 2007 from

TABLE 9: CASH FLOWS

	THREE MONTHS ENDED SEPTEMBER 30			NINE MONTHS ENDED SEPTEMBER 30		
($ millions)	**2007**	2006	CHANGE	**2007**	2006	CHANGE
Operating activities						
Before payment of commissions	**$ 302.7**	$ 277.3	9.2%	**$ 818.4**	$ 728.1	12.4%
Commissions paid	**(74.7)**	(66.2)	(12.8)	**(274.3)**	(270.2)	(1.5)
Net of commissions paid	**228.0**	211.1	8.0	**544.1**	457.9	18.8
Financing activities	**0.9**	(49.2)	101.8	**(252.9)**	(286.9)	11.9
Investing activities	**(176.6)**	(144.1)	(22.6)	**(525.8)**	(175.0)	(200.5)
Increase (decrease) in cash and cash equivalents	**52.3**	17.8	193.8	**(234.6)**	(4.0)	N/M
Cash and cash equivalents, beginning of period	**1,038.6**	1,046.3	(0.7)	**1,325.5**	1,068.1	24.1
Cash and cash equivalents, end of period	**$ 1,090.9**	$ 1,064.1	2.5%	**$ 1,090.9**	$ 1,064.1	2.5%

$98.0 million in 2006 as a result of increases in the Company's common share dividends.
- The purchase of 290,000 common shares in 2007 under IGM Financial's normal course issuer bid at a cost of $14.9 million compared with the purchase of 121,700 common shares at a cost of $5.8 million in 2006.

Financing activities during the nine months ended September 30, 2007 compared to the same period in 2006 related primarily to:

- A net increase of $28.5 million in deposits and certificates in 2007 compared to a net increase of $27.1 million in 2006. The net increase in both periods related to increases in demand deposits offset in part by decreases in term deposit levels.
- The increase in short-term borrowings of $99.8 million in 2007 compared with nil in 2006.
- Proceeds received on the issuance of common shares under the Company's stock option program of $14.3 million in 2007 compared with $11.3 million in 2006.
- The payment of regular common share dividends which increased to $331.8 million in 2007 from $287.2 million in 2006 as a result of increases in the Company's common share dividends.
- The purchase of 1,235,900 common shares in 2007 under IGM Financial's normal course issuer bid at a cost of $63.7 million compared with the purchase of 271,700 common shares at a cost of $13.2 million in 2006.

Financing activities in 2006 also included the repayment at maturity of a $25.0 million note payable to Power Financial Corporation on January 16, 2006.

Investing activities during the quarter ended September 30, 2007 compared to the same period in 2006 related primarily to:

- Purchases of securities totalling $241.2 million and sales of securities with proceeds of $62.9 million in 2007 compared with $16.1 million and $56.4 million, respectively, in 2006.
- Net increases in loans of $420.4 million compared to $420.3 million in 2006 related primarily to residential mortgages in the Company's mortgage banking operations. The net increase in loans was offset by securitizations of $427.2 million in 2007 compared to $386.6 million in 2006.

Investing activities during the nine months ended September 30, 2007 compared to the same period in 2006 related primarily to:

- Purchases of securities totalling $518.7 million and sales of securities with proceeds of $112.2 million in 2007 compared with $66.3 million and $141.0 million, respectively, in 2006.
- Net increases in loans of $1,191.5 million compared to $1,110.7 million in 2006 related primarily to residential mortgages in the Company's mortgage banking operations. The net increase in loans was offset by securitizations of $1,085.1 million in 2007 compared to $1,019.3 million in 2006.

Investing activities in the three- and nine-month periods ended September 30, 2006 included the acquisition of intangible assets which totalled $140.8 million.

Contractual Obligations

There have been no material changes in the contractual obligations of the Company from those reported at December 31, 2006.

Liquidity Requirements

Liquidity requirements for M.R.S. Trust Company and Investors Group Trust Co. Ltd., which engage in financial intermediary activities, are based on policies approved by the investment and conduct review committees of their respective Boards of Directors. As at September 30, 2007, liquidity for both companies was in compliance with these policies.

CAPITAL RESOURCES

Shareholders' equity increased to $4.1 billion as at September 30, 2007 from $3.8 billion at December 31, 2006. Changes in common share capital are reflected in the interim Consolidated Statements of Changes in Shareholders' Equity and in Note 3 to the interim Consolidated Financial Statements. Long-term debt of $1.2 billion and preferred shares of $360 million remained at year end 2006 levels.

To achieve its strategic objectives, the Company requires a strong capital base. The Company's capital management objective is to preserve the quality of its financial position by establishing and maintaining a solid capital base and a strong balance sheet.

In the first quarter of 2007, Standard & Poor's (S&P) reviewed their ratings of IGM Financial's senior debt and liabilities. The rating on the Company's senior debt and liabilities was upgraded to "A+" with a stable outlook by S&P, reflecting the continuing quality of the Company's balance sheet and the strength of its operations. In the second quarter of 2007, the Dominion Bond Rating Service (DBRS) confirmed its rating at "A (high)" with a stable outlook.

OFF-BALANCE SHEET SECURITIZATION ARRANGEMENTS

There were no changes to the Company's liquidity management practices related to securitizations during the three-month period ended September 30, 2007. During the three months ended September 30, 2007, the Company entered into securitization transactions with bank-sponsored securitization trusts through its mortgage banking operation with proceeds of $427.2 million compared with $386.6 million in 2006 as discussed in Note 2 to the interim Consolidated Financial Statements. Securitized loans serviced at September 30, 2007 totalled $2,181 million compared with $1,356 million in 2006. The fair value of the Company's retained interest was $32.4 million at September 30, 2007 and $37.2 million at September 30, 2006.

FINANCIAL INSTRUMENTS

Changes in both the carrying values and fair values of financial instruments did not have a significant impact on the financial condition of the Company for the quarter ended September 30, 2007. In addition, there were no significant changes in the risks related to these financial instruments and in the policies and procedures designed to manage these risks during the period. On January 1, 2007, in accordance with the new accounting standards relating to Financial Instruments, the Company began recording its securities portfolio and derivatives designated as cash flow hedges at fair value, as disclosed in Note 1 to the interim Consolidated Financial Statements. The securities portfolio has been classified as available for sale. Changes in fair value of both the securities portfolio and derivatives designated as cash flow hedges were recorded in Other comprehensive income during 2007.

During the quarter ended September 30, 2007, the Company entered into derivative contracts designated as fair value hedges related to its securities portfolio. Changes in the fair value of the hedging derivative and changes in the fair value of the hedged securities have been reported in the Consolidated Statements of Income.

Derivative Contracts – There have been no changes in the Company's policies and procedures with respect to the use of derivative instruments during the quarter ended September 30, 2007. During the third quarter of 2007, the Company increased the outstanding notional amount of derivative contracts by $1.2 billion to $4.1 billion. These derivatives contracts are either exchange traded or negotiated in the over-the-counter market with Schedule I and Schedule II Chartered bank counterparties on a diversified basis. These derivatives contracts also include interest rate swap agreements entered into with bank-sponsored asset backed commercial paper trust pursuant to the securitization arrangements discussed above. The exposure to credit risk, which is limited to the current fair value of those instruments which are in a gain position, decreased to $14.6 million at September 30, 2007 from $18.7 million at June 30, 2007. The Company utilizes interest rate swaps in order to reduce the impact of fluctuating interest rates on its mortgage banking and intermediary operations, including exposures arising in relation to those interest rate swaps entered into pursuant to securitization arrangements. The Company manages its exposure to market risk on its corporate securities portfolio by using a variety of derivative instruments including options and forward contracts. The Company also manages its exposure to fluctuations in the total return of its common shares related to deferred compensation arrangements by entering into total return swaps. Additional information related to the Company's utilization of derivative contracts can be found in Notes 1 and 15 of the Consolidated Financial Statements in the 2006 IGM Financial Inc. Annual Report.

Outlook

MUTUAL FUND INDUSTRY ASSETS

At September 30, 2007, mutual fund industry assets in Canada were $701.4 billion, a decrease of 0.8% relative to June 30, 2007 and an increase of 6.2% relative to December 31, 2006. This $5.4 billion decrease in industry assets since June 30, 2007 reflected net sales of $2.3 billion and an estimated $7.7 billion in market depreciation for the quarter. The $41.2 billion increase in industry assets since December 31, 2006 reflected net sales of $26.7 billion, an estimated $13.4 billion in investment returns and $1.1 billion in mutual fund assets not previously reported through the Investment Funds Institute of Canada (IFIC).

RISK FACTORS

The Regulatory Environment

IGM is subject to complex and changing legal, taxation and regulatory requirements, including the requirements of agencies of the federal, provincial and territorial governments in Canada which regulate the Company and its activities. The principal regulators of the Company and its subsidiaries are the Canadian Securities Administrators, the Mutual Fund Dealers Association of Canada, the Investment Dealers Association of Canada and the Office of the Superintendent of Financial Institutions. These and other regulatory bodies regularly adopt new laws, rules, regulations and policies that apply to the Company. Regulatory standards affecting the Company and the financial services industry are increasing. The Company and its subsidiaries are subject to regular regulatory reviews as part of the normal ongoing process of oversight by the various regulators.

Failure to comply with laws, rules or regulations could lead to regulatory sanctions and civil liability, and may have an adverse reputational or financial effect on the Company. The Company manages regulatory risk through its efforts to promote a strong culture of compliance. It monitors regulatory developments and their impact on the Company. It also continues to develop and maintain compliance policies, processes and oversight, including specific communications on compliance and legal matters, training, testing, monitoring and reporting. The Audit Committee of the Company receives regular reporting on compliance initiatives and issues.

The Company supports regulatory efforts that will protect the interests of its clients and preserve the integrity and reputation of the industry and its members.

Contingencies

The Company is subject to legal actions, including class actions, arising in the normal course of its business. Three class actions related to alleged market timing trading activity in mutual funds of the companies have been commenced. Investors Group entered into settlement agreements in 2004 with a number of its securities regulators in respect of such market timing trading activity. Although it is difficult to predict the outcome of such legal actions, based on current knowledge and consultation with legal counsel, management does not expect the outcome of any of these matters, individually or in aggregate, to have a material adverse effect on the Company's consolidated financial position.

Market Risk

Risks related to performance of the equity markets and changes in interest rates can have a significant impact on the level and mix of mutual fund assets under management and sales. In addition, these factors can result in increased redemptions of mutual funds.

REDEMPTION RATES

Redemption rates for long-term funds are summarized in Table 10.

IGM Financial provides Consultants and independent financial advisors with a high level of service and support and a broad range of investment products – based on asset classes, countries or regions, and investment management styles. These are key advantages in maintaining strong client relationships.

The mutual fund industry and financial advisors are committed to educating Canadian investors on the merits of financial planning, diversification and long-term investing. In periods of volatility our Consultants and independent financial advisors play a key role in assisting investors to maintain perspective and focus on their long-term objectives.

TABLE 10: TWELVE MONTH TRAILING REDEMPTION RATE FOR LONG-TERM FUNDS

As at September 30	**2007**	2006
IGM Financial Inc.		
Investors Group	**7.3%**	8.1%
Mackenzie	**14.2%**	15.1%
Counsel Group of Funds	**8.8%**	9.5%

Distribution Risk

- *Investors Group Consultant Network* – Investors Group derives all of its mutual fund sales through its Consultant network. Investors Group Consultants have regular direct contact with clients which can lead to a strong and personal client relationship based on the client's confidence in that individual Consultant. The market for financial advisors is extremely competitive. The loss of a significant number of key Consultants could lead to the loss of client accounts which could have an adverse effect on Investors Group's results of operations and business prospects. Investors Group is focused on growing its distribution network of Consultants as previously discussed in the Investors Group Review of the Business.
- *Mackenzie* – Mackenzie derives substantially all of its mutual fund sales through independent financial advisors. Mackenzie's ability to market its products is highly dependent on access to various distribution channels. These intermediaries generally offer their clients investment products in addition to, and in competition with Mackenzie. The inability to have such access could have a material adverse effect on Mackenzie's operating results and business prospects. However, Mackenzie's diverse portfolio of financial products and its long-term investment performance record, marketing, educational and service support has made Mackenzie one of Canada's leading companies serving independent financial advisors.

Accounting Estimates and Policies

SUMMARY OF CRITICAL ACCOUNTING ESTIMATES

There were no changes to the Company's critical accounting estimates from those reported at December 31, 2006.

CHANGES IN ACCOUNTING POLICIES

On January 1, 2007, the Company adopted four new accounting standards: CICA 3855, Financial Instruments – Recognition and Measurement, CICA 3865, Hedges, CICA 1530, Comprehensive Income, and CICA 3251, Equity.

These standards require that all financial assets be classified in one of the following categories: available for sale, held to maturity, trading or loans and receivables. The standards require that all financial assets be carried at fair value in the Consolidated Balance Sheets, except loans and receivables including mortgages and securities classified as held to maturity, which are carried at amortized cost using the effective interest method. Financial liabilities must be classified as either trading, which are carried at fair value, or other than held for trading, which are carried at amortized cost using the effective interest method.

Changes in the fair value of financial assets classified as trading are required to be reported in the Consolidated Statements of Income. Unrealized gains and losses on financial assets that are available for sale are required to be recorded in Other comprehensive income until realized or until the asset is other than temporarily impaired, at which time they are required to be recorded in the Consolidated Statements of Income. All derivatives, including embedded derivatives that must be separately accounted for, must be recorded at fair value in the Consolidated Balance Sheets and the changes in fair value must be recorded in the Consolidated Statements of Income, except as described in the next paragraph for certain hedging derivatives.

Derivative instruments specifically designated as a hedge and meeting the criteria for hedge effectiveness may offset changes in fair values or cash flows of hedged items. A hedge must be designated as a cash flow hedge, fair value hedge, or a hedge of net investments in self-sustaining foreign operations. A fair value hedge requires the change in fair value of the hedging derivative and the change in fair value of the hedged item relating to the hedged risk to both be recorded in the Consolidated Statements of Income. A cash flow hedge requires the change in fair value of the derivative, to the extent effective, to be recorded in Other comprehensive income, which is reclassified to the Consolidated Statements of Income when the hedged transaction impacts earnings. The change in fair value of the ineffective portion of the derivative in a cash flow hedge must be recorded in the Consolidated Statements of Income.

The Consolidated Statements of Comprehensive Income have been included in the Company's financial statements. The Consolidated Statements of Changes in Shareholders' Equity have replaced the Consolidated Statements of Retained Earnings in the Company's financial statements. Unrealized gains and losses on financial assets classified as available for sale, the effective portion of changes in the fair value of cash flow hedging instruments and other comprehensive income, including unrealized foreign currency translation gains and losses, related to the Company's investment in affiliate are recorded in the Consolidated Statements of Comprehensive Income on a net of tax basis. Accumulated other comprehensive income forms part of Shareholders' equity.

On January 1, 2007, the Company's securities portfolio was classified as available for sale. The loans portfolio was classified as loans and receivables and is carried at amortized cost. Long-term debt, and deposits and certificates were classified as other than held for trading and are carried at amortized cost.

On January 1, 2007, transitional adjustments were recorded in the opening balance of Accumulated other comprehensive income to recognize the fair value of financial assets classified as available for sale and hedging instruments designated as cash flow hedges. The recognition of the fair value of available for sale securities increased Securities by $95.7 million and increased funds held in escrow included in Other assets by $3.5 million. The recognition of the fair value of derivatives designated as cash flow hedges increased Other liabilities by $42.6 million. Accumulated other comprehensive income increased by $46.3 million on an after tax basis. The foreign currency translation balance of $39.8 million (2006 – $35.2 million) related to the Company's investment in affiliate has been reclassified from Retained earnings to Accumulated other comprehensive income. Prior periods were not restated except for the reclassification of the foreign currency translation balances. There was no impact to net income as a result of implementation of the standards.

FUTURE ACCOUNTING CHANGES

On January 1, 2008, the Company will adopt CICA 1535, Capital Disclosures. This standard requires the disclosure of information related to the objectives, policies and processes for managing capital. As this standard only addresses disclosure requirements, there will be no impact to the Company's financial statements.

On January 1, 2008, the Company will adopt CICA 3862, Financial Instruments – Disclosures. CICA 3862 requires disclosure of information related to the significance of financial instruments to the Company's performance. The Company is also required to disclose information related to the risks of its use of financial instruments and how those risks are managed. As this standard specifically addresses presentation and disclosure requirements, there will be no impact to the Company's financial statements.

Internal Control Over Financial Reporting

During the third quarter of 2007, there have been no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Other Information

RELATED PARTY TRANSACTIONS

There were no changes to the types of related party transactions from those reported at December 31, 2006. For further information on transactions involving related parties, see Notes 5 and 19 of the Consolidated Financial Statements in the 2006 IGM Financial Inc. Annual Report.

OUTSTANDING SHARE DATA

Outstanding shares of the Company as at September 30, 2007 of 264,240,506 are disclosed in Note 3 – Share Capital in the notes to the interim Consolidated Financial Statements. Outstanding shares of the Company as at October 30, 2007 totalled 264,253,979.

SEDAR

Additional information relating to IGM Financial Inc., including the Company's most recent financial statements and Annual Information Form, is available at www.sedar.com.

Consolidated Statements of Income

(unaudited) *(in thousands of dollars, except shares and per share amounts)*	THREE MONTHS ENDED SEPTEMBER 30 2007	2006	NINE MONTHS ENDED SEPTEMBER 30 2007	2006
Fee and net investment income				
Management	**$ 531,636**	$ 456,481	**$ 1,573,938**	$ 1,364,695
Administration	**90,740**	77,097	**259,173**	233,659
Distribution	**64,620**	54,154	**188,732**	165,762
Net investment income and other	**43,833**	55,370	**151,647**	161,920
Total fee and net investment income	**730,829**	643,102	**2,173,490**	1,926,036
Operating expenses				
Commission expense	**237,970**	205,198	**705,625**	613,811
Non-commission expense	**154,994**	134,491	**466,303**	425,426
Interest expense	**22,221**	22,221	**66,108**	66,198
Total operating expenses	**415,185**	361,910	**1,238,036**	1,105,435
Income before income taxes and non-controlling interest	**315,644**	281,192	**935,454**	820,601
Income taxes	**96,424**	89,507	**288,365**	242,105
Income before non-controlling interest	**219,220**	191,685	**647,089**	578,496
Non-controlling interest	**823**	252	**2,289**	1,398
Net income	**$ 218,397**	$ 191,433	**$ 644,800**	$ 577,098
Average number of common shares *(in thousands) (Note 8)*				
– Basic	**264,399**	264,769	**264,725**	264,697
– Diluted	**267,217**	267,466	**267,468**	267,390
Earnings per share *(in dollars) (Note 8)* – Basic	**$ 0.83**	$ 0.72	**$ 2.44**	$ 2.18
– Diluted	**$ 0.82**	$ 0.72	**$ 2.41**	$ 2.16

(See accompanying notes to interim consolidated financial statements.)

Consolidated Balance Sheets

(unaudited) *(in thousands of dollars)*	SEPTEMBER 30 2007	DECEMBER 31 2006
Assets		
Cash and cash equivalents	**$ 1,090,871**	$ 1,325,468
Securities	**617,502**	142,322
Loans	**597,479**	488,795
Investment in affiliate	**569,846**	549,237
Deferred selling commissions	**1,002,173**	974,070
Other assets	**460,052**	439,804
Intangible assets	**1,028,000**	1,040,126
Goodwill	**2,384,076**	2,372,714
	$ 7,749,999	$ 7,332,536
Liabilities		
Deposits and certificates	**$ 806,003**	$ 777,505
Other liabilities	**844,236**	735,297
Future income taxes	**453,311**	442,061
Long-term debt	**1,200,000**	1,200,000
Preferred shares	**360,000**	360,000
	3,663,550	3,514,863
Shareholders' Equity		
Common shares	**1,502,439**	1,493,954
Contributed surplus	**20,244**	15,339
Retained earnings	**2,572,726**	2,348,157
Accumulated other comprehensive loss	**(8,960)**	(39,777)
	4,086,449	3,817,673
	$ 7,749,999	$ 7,332,536

(See accompanying notes to interim consolidated financial statements.)

Consolidated Statements of Changes in Shareholders' Equity

(unaudited) *(in thousands of dollars)*	Three months ended September 30 **2007**	2006	Nine months ended September 30 **2007**	2006
Common shares *(Note 3)*				
Balance, beginning of period	**$ 1,503,128**	$ 1,488,549	**$ 1,493,954**	$ 1,481,519
Issued under stock option plan	**959**	4,152	**15,497**	12,025
Purchased for cancellation	**(1,648)**	(686)	**(7,012)**	(1,529)
Balance, end of period	**1,502,439**	1,492,015	**1,502,439**	1,492,015
Contributed surplus				
Balance, beginning of period	**18,194**	12,216	**15,339**	9,213
Stock options				
Current period expense	**2,135**	1,716	**6,125**	5,263
Exercised	**(85)**	(143)	**(1,220)**	(687)
Balance, end of period	**20,244**	13,789	**20,244**	13,789
Retained earnings				
Balance, beginning of period				
As previously reported	**2,488,815**	2,172,851	**2,308,380**	1,954,391
Reclassification to accumulated other comprehensive income *(Note 1)*	**–**	–	**39,777**	35,205
As restated	**2,488,815**	2,172,851	**2,348,157**	1,989,596
Net income	**218,397**	191,433	**644,800**	577,098
Common dividends	**(121,548)**	(105,284)	**(348,016)**	(301,194)
Common share cancellation excess and other *(Note 3)*	**(12,938)**	(5,328)	**(72,215)**	(11,828)
Balance, end of period	**2,572,726**	2,253,672	**2,572,726**	2,253,672
Accumulated other comprehensive income (loss) *(Note 4)*				
Balance, beginning of period	**26,879**	(34,594)	**(39,777)**	(35,205)
Change in accounting policy *(Note 1)*	**–**	–	**46,339**	–
Other comprehensive loss	**(35,839)**	(6,489)	**(15,522)**	(5,878)
Balance, end of period	**(8,960)**	(41,083)	**(8,960)**	(41,083)
Total Shareholders' Equity	**$ 4,086,449**	$ 3,718,393	**$ 4,086,449**	$ 3,718,393

(See accompanying notes to interim consolidated financial statements.)

Consolidated Statements of Comprehensive Income

(unaudited) (in thousands of dollars)	Three months ended September 30 2007	 2006	Nine months ended September 30 2007	 2006
Net income	**$ 218,397**	$ 191,433	**$ 644,800**	$ 577,098
Other comprehensive loss, net of tax *(Note 5)*				
Net unrealized gains (losses) on available for sale securities:				
Unrealized gains (losses)	**(5,135)**	–	**13,296**	–
Reclassification adjustment for (gains) losses included in net income	**(6,096)**	–	**(62,230)**	–
	(11,231)	–	**(48,934)**	–
Net unrealized gains (losses) on cash flow hedges				
Unrealized gains (losses)	**–**	–	**1,952**	–
Reclassification adjustment for (gain) loss included in net income	**–**	–	**33,083**	–
	–	–	**35,035**	–
Other comprehensive loss (OCL) related to investment in affiliate	**(24,608)**	(6,489)	**(1,623)**	(5,878)
Other comprehensive loss	**(35,839)**	(6,489)	**(15,522)**	(5,878)
Comprehensive income	**$ 182,558**	$ 184,944	**$ 629,278**	$ 571,220

(See accompanying notes to interim consolidated financial statements.)

Consolidated Statements of Cash Flows

(unaudited) (in thousands of dollars)	THREE MONTHS ENDED SEPTEMBER 30 2007	2006	NINE MONTHS ENDED SEPTEMBER 30 2007	2006
Operating activities				
Net income	**$ 218,397**	$ 191,433	**$ 644,800**	$ 577,098
Adjustments to determine net cash from operating activities				
Future income taxes	**(8,299)**	(1,123)	**3,815**	617
Commission amortization	**83,627**	73,607	**246,232**	220,299
Amortization of capital and intangible assets	**6,889**	5,187	**18,256**	15,917
Changes in operating assets and liabilities and other	**2,011**	8,168	**(94,691)**	(85,833)
	302,625	277,272	**818,412**	728,098
Commissions paid	**(74,704)**	(66,211)	**(274,335)**	(270,159)
	227,921	211,061	**544,077**	457,939
Financing activities				
Net increase in deposits and certificates	**28,266**	50,567	**28,498**	27,143
Increase in short-term borrowings	**99,836**	–	**99,836**	–
Repayment of long-term debt	**–**	–	**–**	(25,010)
Common shares issued	**874**	4,009	**14,277**	11,338
Common dividends paid	**(113,155)**	(97,945)	**(331,752)**	(287,175)
Common shares purchased for cancellation	**(14,884)**	(5,762)	**(63,737)**	(13,216)
	937	(49,131)	**(252,878)**	(286,920)
Investing activities				
Purchase of securities	**(241,237)**	(16,139)	**(518,731)**	(66,286)
Proceeds from the sale of securities	**62,881**	56,393	**112,162**	141,020
Net increase in loans	**(420,394)**	(420,304)	**(1,191,465)**	(1,110,722)
Proceeds from securitizations *(Note 2)*	**427,239**	386,600	**1,085,117**	1,019,290
Additions to capital assets	**(4,786)**	(9,772)	**(12,406)**	(16,367)
Acquisition of intangible assets	**–**	(140,817)	**–**	(140,817)
Other	**(338)**	(61)	**(473)**	(1,058)
	(176,635)	(144,100)	**(525,796)**	(174,940)
Increase (decrease) in cash and cash equivalents	**52,223**	17,830	**(234,597)**	(3,921)
Cash and cash equivalents, beginning of period	**1,038,648**	1,046,310	**1,325,468**	1,068,061
Cash and cash equivalents, end of period	**$ 1,090,871**	$ 1,064,140	**$ 1,090,871**	$ 1,064,140
Cash	**$ 102,804**	$ 164,237	**$ 102,804**	$ 164,237
Cash equivalents	**988,067**	899,903	**988,067**	899,903
	$ 1,090,871	$ 1,064,140	**$ 1,090,871**	$ 1,064,140
Supplemental disclosure of cash flow information				
Amount of interest paid during the period	**$ 21,957**	$ 20,744	**$ 87,534**	$ 84,324
Amount of income taxes paid during the period	**$ 77,539**	$ 53,150	**$ 308,135**	$ 224,612

(See accompanying notes to interim consolidated financial statements.)

Notes to the Interim Consolidated Financial Statements

SEPTEMBER 30, 2007 *(unaudited) (In thousands of dollars, except shares and per share amounts)*

1. SIGNIFICANT ACCOUNTING POLICIES

The interim unaudited Consolidated Financial Statements have been prepared in accordance with Canadian generally accepted accounting principles, using the same accounting policies as set out in Note 1 to the Consolidated Financial Statements for the year ended December 31, 2006, except as noted below. These interim unaudited Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto in the Company's Annual Report dated December 31, 2006.

Changes in accounting policies – financial instruments

On January 1, 2007, the Company adopted four new accounting standards: CICA 3855, Financial Instruments – Recognition and Measurement, CICA 3865, Hedges, CICA 1530, Comprehensive Income, and CICA 3251, Equity.

These standards require that all financial assets be classified in one of the following categories: available for sale, held to maturity, trading or loans and receivables. The standards require that all financial assets be carried at fair value in the Consolidated Balance Sheets, except loans and receivables including mortgages and securities classified as held to maturity, which are carried at amortized cost using the effective interest method. Financial liabilities must be classified as either trading, which are carried at fair value, or other than held for trading, which are carried at amortized cost using the effective interest method.

Changes in the fair value of financial assets classified as trading are required to be reported in the Consolidated Statements of Income. Unrealized gains and losses on financial assets that are available for sale are required to be recorded in Other comprehensive income until realized or until the asset is other than temporarily impaired, at which time they are required to be recorded in the Consolidated Statements of Income. All derivatives, including embedded derivatives that must be separately accounted for, must be recorded at fair value in the Consolidated Balance Sheets and the changes in fair value must be recorded in the Consolidated Statements of Income, except as described in the next paragraph for certain hedging derivatives.

Derivative instruments specifically designated as a hedge and meeting the criteria for hedge effectiveness may offset changes in fair values or cash flows of hedged items. A hedge must be designated as a cash flow hedge, fair value hedge, or a hedge of net investments in self-sustaining foreign operations. A fair value hedge requires the change in fair value of the hedging derivative and the change in fair value of the hedged item relating to the hedged risk to both be recorded in the Consolidated Statements of Income. A cash flow hedge requires the change in fair value of the derivative, to the extent effective, to be recorded in Other comprehensive income, which is reclassified to the Consolidated Statements of Income when the hedged transaction impacts earnings. The change in fair value of the ineffective portion of the derivative in a cash flow hedge must be recorded in the Consolidated Statements of Income.

The Consolidated Statements of Comprehensive Income have been included in the Company's financial statements. The Consolidated Statements of Changes in Shareholders' Equity have replaced the Consolidated Statements of Retained Earnings in the Company's financial statements. Unrealized gains and losses on financial assets classified as available for sale, the effective portion of changes in the fair value of cash flow hedging instruments and other comprehensive income amounts, including unrealized foreign currency translation gains and losses, related to the Company's investment in its affiliate are recorded in the Consolidated Statements of Comprehensive Income on a net of tax basis. Accumulated other comprehensive income forms part of Shareholders' equity.

On January 1, 2007, the Company's securities portfolio was classified as available for sale. The loans portfolio was classified as loans and receivables and is carried at amortized cost. Long-term debt, and deposits and certificates were classified as other than held for trading and are carried at amortized cost.

On January 1, 2007, transitional adjustments were recorded in the opening balance of Accumulated other comprehensive income to recognize the fair value of financial assets classified as available for sale and hedging instruments designated as cash flow hedges. The recognition of the fair value of available for sale securities increased Securities by $95.7 million and increased funds held in escrow included in Other assets by $3.5 million. The recognition of the fair value of derivatives designated as cash flow hedges increased Other liabilities by $42.6 million. Accumulated other comprehensive income increased by $46.3 million on an after tax basis. The foreign currency

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

translation balance of $39.8 million (2006 – $35.2 million) related to the Company's investment in its affiliate has been reclassified from Retained earnings to Accumulated other comprehensive income. Prior periods were not restated except for the reclassification of the foreign currency translation balances. There was no impact to net income as a result of implementation of the standards.

Future accounting changes

On January 1, 2008, the Company will adopt CICA 1535, Capital Disclosures. This standard requires the disclosure of information related to the objectives, policies and processes for managing capital. As this standard only addresses disclosure requirements, there will be no impact to the Company's financial statements

On January 1, 2008, the Company will adopt CICA 3862, Financial Instruments – Disclosures. CICA 3862 requires disclosure of information related to the significance of financial instruments to the Company's performance. The Company is also required to disclose information related to the risks of its use of financial instruments and how those risks are managed. As this standard specifically addresses presentation and disclosure requirements, there will be no impact to the Company's financial statements.

Comparative figures

Certain comparative figures have been reclassified to conform with the current period's financial statement presentation.

2. SECURITIZATIONS

During the third quarter of 2007, the Company securitized $431.2 million (2006 – $390.0 million) of residential mortgages through sales to bank-sponsored commercial paper conduits and received net cash proceeds of $427.2 million (2006 – $386.6 million). The Company's retained interest in the securitized loans was valued at $7.6 million (2006 – $9.9 million). A pre-tax gain on sale of $0.3 million (2006 – $3.6 million) was recognized and reported in Net investment income and other in the Consolidated Statements of Income.

During the nine months ended September 30, 2007, the Company securitized $1,095.6 million (2006 – $1,025.8 million) of residential mortgages through sales to bank-sponsored commercial paper conduits and received net cash proceeds of $1,085.1 million (2006 – $1,019.3 million). The Company's retained interest in the securitized loans was valued at $21.3 million (2006 – $17.4 million). A pre-tax gain on sale of $2.4 million (2006 – $1.2 million) was recognized and reported in Net investment income and other in the Consolidated Statements of Income.

3. SHARE CAPITAL

Issued and outstanding

	SEPTEMBER 30, 2007		SEPTEMBER 30, 2006	
	SHARES	STATED VALUE	SHARES	STATED VALUE
First preferred shares, Series A	**14,400,000**	**$ 360,000**	14,400,000	$ 360,000
Common shares				
Balance, beginning of period	**264,865,938**	**$ 1,493,954**	264,539,213	$ 1,481,519
Issued under Stock Option Plan	**610,468**	**15,497**	515,718	12,025
Purchased for cancellation	**(1,235,900)**	**(7,012)**	(271,700)	(1,529)
Balance, end of period	**264,240,506**	**$ 1,502,439**	264,783,231	$ 1,492,015

3. SHARE CAPITAL *(continued)*

Normal course issuer bid

The Company commenced a normal course issuer bid, effective for one year, on March 22, 2007. Under this bid, the Company may purchase up to 13.3 million or 5% of its common shares outstanding as at March 14, 2007. In the third quarter of 2007, 290,000 shares were purchased at a cost of $14.9 million and, during the nine months ended September 30, 2007, 1,235,900 shares were purchased at a cost of $63.7 million. The premium paid to purchase the shares in excess of the stated value was charged to Retained earnings.

On March 22, 2006, the Company commenced a normal course issuer bid, effective for one year, authorizing it to purchase up to 13.2 million or 5% of its common shares outstanding as at March 14, 2006. In the third quarter of 2006, 121,700 shares were purchased at a cost of $5.8 million and, during the nine months ended September 30, 2006, 271,700 shares were purchased at a cost of $13.2 million. The premium paid to purchase the shares in excess of the stated value was charged to Retained earnings.

4. ACCUMULATED OTHER COMPREHENSIVE LOSS

	NET UNREALIZED GAINS (LOSSES), NET OF TAX			
THREE MONTHS ENDED SEPTEMBER 30	AVAILABLE FOR SALE SECURITIES	CASH FLOW HEDGES	OCL RELATED TO INVESTMENT IN AFFILIATE	TOTAL
2007				
Balance, beginning of period	**$ 43,671**	**$ –**	**$ (16,792)**	**$ 26,879**
Other comprehensive loss	**(11,231)**	**–**	**(24,608)**	**(35,839)**
Balance, end of period	**$ 32,440**	**$ –**	**$ (41,400)**	**$ (8,960)**
2006				
Balance, beginning of period	$ –	$ –	$ (34,594)	$ (34,594)
Other comprehensive loss	–	–	(6,489)	(6,489)
Balance, end of period	$ –	$ –	$ (41,083)	$ (41,083)

	NET UNREALIZED GAINS (LOSSES), NET OF TAX			
NINE MONTHS ENDED SEPTEMBER 30	AVAILABLE FOR SALE SECURITIES	CASH FLOW HEDGES	OCL RELATED TO INVESTMENT IN AFFILIATE	TOTAL
2007				
Balance, beginning of period	**$ –**	**$ –**	**$ (39,777)**	**$ (39,777)**
Change in accounting policy *(Note 1)*	**81,374**	**(35,035)**	**–**	**46,339**
Other comprehensive income (loss)	**(48,934)**	**35,035**	**(1,623)**	**(15,522)**
Balance, end of period	**$ 32,440**	**$ –**	**$ (41,400)**	**$ (8,960)**
2006				
Balance, beginning of period	$ –	$ –	$ (35,205)	$ (35,205)
Other comprehensive loss	–	–	(5,878)	(5,878)
Balance, end of period	$ –	$ –	$ (41,083)	$ (41,083)

5. INCOME TAXES ON COMPONENTS OF OTHER COMPREHENSIVE LOSS

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2007	2006	**2007**	2006
Net unrealized gains (losses) on available for sale securities	**$ 2,317**	$ –	**$ 11,186**	$ –
Net unrealized gains (losses) on cash flow hedges	**–**	–	**(7,519)**	–
Total income taxes	**$ 2,317**	$ –	**$ 3,667**	$ –

6. STOCK-BASED COMPENSATION

	SEPTEMBER 30 2007	DECEMBER 31 2006
Common share options		
– Outstanding	**9,193,122**	8,494,870
– Exercisable	**4,876,178**	4,653,897

In the third quarter of 2007 and 2006, the Company did not grant options to employees. In the nine months ended September 30, 2007, the company granted 1,565,820 options to employees (2006 – 810,400). A portion of the options granted to employees are subject to performance targets. The weighted-average fair value of time vesting options granted during the nine months ended September 30, 2007 has been estimated at $8.64 per option (2006 – $8.68) using the Black-Scholes option pricing model. The weighted-average fair value of performance based options granted during the nine months ended September 30, 2007 has been estimated at $4.63 per option (2006 – $5.35) using a barrier option pricing model. The assumptions used in these valuation models include: (i) risk-free interest rate of 3.97% (2006 – 4.11%), (ii) expected option life of six years (2006 – six years), (iii) expected volatility of 20.00% (2006 – 21.00%) and (iv) expected dividend yield of 3.36% (2006 – 3.17%).

The Company recorded compensation expense related to its stock option program of $2.0 million (2006 – $1.6 million) in the third quarter and $5.6 million (2006 – $4.7 million) for the nine months ended September 30, 2007.

7. EMPLOYEE FUTURE BENEFITS

The Company recorded pension and other post-retirement benefits expense as follows:

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2007	2006	**2007**	2006
Pension expense	**$ (342)**	$ 769	**$ (716)**	$ 2,306
Other post-retirement benefits expense	**1,216**	725	**3,655**	2,175
Total	**$ 874**	$ 1,494	**$ 2,939**	$ 4,481

8. EARNINGS PER COMMON SHARE

	THREE MONTHS ENDED SEPTEMBER 30 2007	2006	NINE MONTHS ENDED SEPTEMBER 30 2007	2006
Earnings				
Net income	**$ 218,397**	$ 191,433	**$ 644,800**	$ 577,098
Number of common shares *(in thousands)*				
Average number of common shares outstanding	**264,399**	264,769	**264,725**	264,697
Add:				
– Potential exercise of outstanding stock options	**2,818**	2,697	**2,743**	2,693
Average number of common shares outstanding – Diluted basis	**267,217**	267,466	**267,468**	267,390
Earnings per common share *(in dollars)*				
Basic	**$ 0.83**	$ 0.72	**$ 2.44**	$ 2.18
Diluted	**$ 0.82**	$ 0.72	**$ 2.41**	$ 2.16

In certain circumstances, the preferred shares are convertible into common shares. These conversions are not included in the calculation of diluted earnings per share as the Company has the option to settle in cash instead of shares.

9. SEGMENTED INFORMATION

Three months ended September 30 **2007**	INVESTORS GROUP	MACKENZIE	CORPORATE AND OTHER	TOTAL
Fee and net investment income				
Management	**$ 298,241**	**$ 221,900**	**$ 11,495**	**$ 531,636**
Administration	**56,257**	**34,126**	**357**	**90,740**
Distribution	**33,154**	**6,868**	**24,598**	**64,620**
Net investment income and other	**25,371**	**6,640**	**11,822**	**43,833**
	413,023	**269,534**	**48,272**	**730,829**
Operating expenses				
Commissions	**115,891**	**98,975**	**23,104**	**237,970**
Non-commission	**70,629**	**74,365**	**10,000**	**154,994**
	186,520	**173,340**	**33,104**	**392,964**
Earnings before undernoted	**$ 226,503**	**$ 96,194**	**$ 15,168**	**337,865**
Interest expense				**22,221**
Income before income taxes and non-controlling interest				**315,644**
Income taxes				**96,424**
Income before non-controlling interest				**219,220**
Non-controlling interest				**823**
Net income				**$ 218,397**

9. SEGMENTED INFORMATION *(continued)*

Three months ended September 30 2006	Investors Group	Mackenzie	Corporate and Other	Total
Fee and net investment income				
Management	$ 260,868	$ 185,424	$ 10,189	$ 456,481
Administration	45,319	31,552	226	77,097
Distribution	28,495	7,228	18,431	54,154
Net investment income and other	38,119	6,476	10,775	55,370
	372,801	230,680	39,621	643,102
Operating expenses				
Commissions	97,589	90,116	17,493	205,198
Non-commission	64,186	62,126	8,179	134,491
	161,775	152,242	25,672	339,689
Earnings before undernoted	$ 211,026	$ 78,438	$ 13,949	303,413
Interest expense				22,221
Income before income taxes and non-controlling interest				281,192
Income taxes				89,507
Income before non-controlling interest				191,685
Non-controlling interest				252
Net income				$ 191,433

9. SEGMENTED INFORMATION *(continued)*

Nine months ended September 30 2007	INVESTORS GROUP	MACKENZIE	CORPORATE AND OTHER	TOTAL
Fee and net investment income				
Management	$ 881,260	$ 658,445	$ 34,233	$ 1,573,938
Administration	153,447	104,270	1,456	259,173
Distribution	95,243	22,393	71,096	188,732
Net investment income and other	98,186	19,500	33,961	151,647
	1,228,136	804,608	140,746	2,173,490
Operating expenses				
Commissions	342,815	295,895	66,915	705,625
Non-commission	215,044	223,935	27,324	466,303
	557,859	519,830	94,239	1,171,928
Earnings before undernoted	$ 670,277	$ 284,778	$ 46,507	1,001,562
Interest expense				66,108
Income before income taxes and non-controlling interest				935,454
Income taxes				288,365
Income before non-controlling interest				647,089
Non-controlling interest				2,289
Net income				$ 644,800
Identifiable assets	$ 1,622,214	$ 2,438,542	$ 1,305,167	$ 5,365,923
Goodwill	1,347,781	957,446	78,849	2,384,076
Total assets	$ 2,969,995	$ 3,395,988	$ 1,384,016	$ 7,749,999

In the second quarter, the Company finalized the allocation of intangible assets and goodwill related to the acquisition of the assets of Cundill Investment Research Ltd. and related entities.

9. SEGMENTED INFORMATION *(continued)*

Nine months ended September 30 2006		INVESTORS GROUP		MACKENZIE		CORPORATE AND OTHER		TOTAL
Fee and net investment income								
Management	$	770,283	$	564,895	$	29,517	$	1,364,695
Administration		135,441		97,774		444		233,659
Distribution		86,220		25,022		54,520		165,762
Net investment income and other		112,999		20,336		28,585		161,920
		1,104,943		708,027		113,066		1,926,036
Operating expenses								
Commissions		287,269		274,887		51,655		613,811
Non-commission		204,903		196,461		24,062		425,426
		492,172		471,348		75,717		1,039,237
Earnings before undernoted	$	612,771	$	236,679	$	37,349		886,799
Interest expense								66,198
Income before income taxes and non-controlling interest								820,601
Income taxes								242,105
Income before non-controlling interest								578,496
Non-controlling interest								1,398
Net income							$	577,098
Identifiable assets	$	1,552,974	$	2,365,891	$	830,409	$	4,749,274
Goodwill		1,347,781		943,550		82,271		2,373,602
Total assets	$	2,900,755	$	3,309,441	$	912,680	$	7,122,876

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Stock Exchange Listing
Toronto Stock Exchange
Shares of IGM Financial Inc. are listed on the Toronto Stock Exchange under the following listings:
Common Shares: IGM
First Preferred Shares, Series A:
IGM.PR.A

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Si vous préférez recevoir ce rapport en français,
veuillez vous adresser au Secrétaire de
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Normal Course Issuer Bid
The Company has renewed its Normal Course Issuer Bid through the facilities of the Toronto Stock Exchange from March 22, 2007 to March 21, 2008. During the course of the Bid, the Company intends to purchase for cancellation up to but not more than 13,255,552 common shares, being approximately 5% of its outstanding capital. Shareholders may obtain a copy of the Bid, without charge, by contacting the Corporate Secretary's Department at the Company's Head Office.

Websites
Visit our websites at
www.igmfinancial.com
www.investorsgroup.com
www.mackenziefinancial.com
www.ipcc.ca

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