



Consolidated Financial Statements

***For the Nine Months Ended
September 30, 2007***

IGM FINANCIAL INC.**Consolidated Statements of Income**

<i>(unaudited)</i> <i>(in thousands of dollars, except shares and per share amounts)</i>	Three months ended September 30		Nine months ended September 30	
	2007	2006	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.)

IGM FINANCIAL INC.**Consolidated Balance Sheets**

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	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.)

IGM FINANCIAL INC.**Consolidated Statements of Changes in Shareholders' Equity**

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Three months ended September 30		Nine months ended September 30	
	2007	2006	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	<u>1,502,439</u>	<u>1,492,015</u>	<u>1,502,439</u>	<u>1,492,015</u>
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	<u>20,244</u>	<u>13,789</u>	<u>20,244</u>	<u>13,789</u>
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	<u>2,572,726</u>	<u>2,253,672</u>	<u>2,572,726</u>	<u>2,253,672</u>
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	<u>(8,960)</u>	<u>(41,083)</u>	<u>(8,960)</u>	<u>(41,083)</u>
Total Shareholders' Equity	\$ 4,086,449	\$ 3,718,393	\$ 4,086,449	\$ 3,718,393

(See accompanying notes to interim consolidated financial statements.)

IGM FINANCIAL INC.**Consolidated Statements of Comprehensive Income**

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Three months ended September 30		Nine months ended September 30	
	2007	2006	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.)

IGM FINANCIAL INC.**Consolidated Statements of Cash Flows**

<i>(unaudited)</i> <i>(in thousands of dollars)</i>	Three months ended September 30		Nine months ended September 30	
	2007	2006	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.

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 (continued)

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 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.

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 (continued)

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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2007 (unaudited)

(in thousands of dollars, except shares and per share amounts)

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

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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
 SEPTEMBER 30, 2007 (unaudited)

(in thousands of dollars, except shares and per share amounts)

4. Accumulated other comprehensive loss

Three months ended September 30	Net Unrealized Gains (Losses), Net of Tax			Total
	Available for Sale Securities	Cash Flow Hedges	OCL related to investment in Affiliate	
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)
Nine months ended September 30	Net Unrealized Gains (Losses), Net of Tax			Total
	Available for Sale Securities	Cash Flow Hedges	OCL related to investment in Affiliate	
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)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2007 (unaudited)

(in thousands of dollars, except shares and per share amounts)

5. Income taxes on components of other comprehensive loss

	Three months ended September 30		Nine months ended September 30	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Net unrealized gains (losses) on available for sale securities	\$ 2,317	\$ -	\$ 11,186	\$ -
Net unrealized gains (losses) on cash flow hedges	-	-	<u>(7,519)</u>	-
Total income taxes	<u>\$ 2,317</u>	<u>\$ -</u>	<u>\$ 3,667</u>	<u>\$ -</u>

6. Stock-based compensation

	<u>September 30 2007</u>	<u>December 31 2006</u>
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.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2007 (unaudited)**

(in thousands of dollars, except shares and per share amounts)

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	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Pension expense	\$ (342)	\$ 769	\$ (716)	\$ 2,306
Other post-retirement benefits expense	<u>1,216</u>	<u>725</u>	<u>3,655</u>	<u>2,175</u>
Total	<u>\$ 874</u>	<u>\$ 1,494</u>	<u>\$ 2,939</u>	<u>\$ 4,481</u>

8. Earnings per common share

	Three months ended September 30		Nine months ended September 30	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Earnings				
Net income	<u>\$ 218,397</u>	<u>\$ 191,433</u>	<u>\$ 644,800</u>	<u>\$ 577,098</u>
Number of common shares <i>(in thousands)</i>				
Average number of common shares outstanding	264,399	264,769	264,725	264,697
Add:				
- Potential exercise of outstanding stock options	<u>2,818</u>	<u>2,697</u>	<u>2,743</u>	<u>2,693</u>
Average number of common shares outstanding - Diluted basis	<u>267,217</u>	<u>267,466</u>	<u>267,468</u>	<u>267,390</u>
Earnings per common share <i>(in dollars)</i>				
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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2007 (unaudited)

(in thousands of dollars, except shares and per share amounts)

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2007 (unaudited)

(in thousands of dollars, except shares and per share amounts)

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2007 (unaudited)

(in thousands of dollars, except shares and per share amounts)

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
	<u>1,228,136</u>	<u>804,608</u>	<u>140,746</u>	<u>2,173,490</u>
Operating expenses				
Commissions	342,815	295,895	66,915	705,625
Non-commission	215,044	223,935	27,324	466,303
	<u>557,859</u>	<u>519,830</u>	<u>94,239</u>	<u>1,171,928</u>
Earnings before undernoted	<u>\$ 670,277</u>	<u>\$ 284,778</u>	<u>\$ 46,507</u>	<u>1,001,562</u>
Interest expense				<u>66,108</u>
Income before income taxes and non-controlling interest				<u>935,454</u>
Income taxes				<u>288,365</u>
Income before non-controlling interest				<u>647,089</u>
Non-controlling interest				<u>2,289</u>
Net income				<u>\$ 644,800</u>
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	<u>\$ 2,969,995</u>	<u>\$ 3,395,988</u>	<u>\$ 1,384,016</u>	<u>\$ 7,749,999</u>

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.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2007 (unaudited)

(in thousands of dollars, except shares and per share amounts)

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