

PROSPECTUS SUPPLEMENT

To a Short Form Base Shelf Prospectus dated November 18, 2008

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This prospectus supplement, together with the short form base shelf prospectus dated November 18, 2008 to which it relates, as amended or supplemented, and each document deemed to be incorporated by reference into the short form base shelf prospectus, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

These securities have not been and will not be registered under the Securities Act of 1933 of the United States of America. These securities may not be offered, sold or delivered in the United States and this prospectus supplement does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States.

Information has been incorporated by reference in this prospectus supplement from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of IGM Financial Inc., One Canada Centre, 447 Portage Avenue, Winnipeg, Manitoba, R3C 3B6 (telephone: (204) 956-8532), and are also available electronically at www.sedar.com.

New Issue

December 1, 2009



IGM FINANCIAL INC.

\$150,000,000

(6,000,000 shares)

5.90% Non-Cumulative First Preferred Shares, Series B

This offering of 5.90% Non-Cumulative First Preferred Shares, Series B (the “**Series B Shares**”) of IGM Financial Inc. (“**IGM**” or the “**Corporation**”) under this prospectus supplement (the “**Prospectus Supplement**”) consists of 6,000,000 Series B Shares. The holders of the Series B Shares will be entitled to fixed non-cumulative preferential cash dividends, if, as and when declared by the Board of Directors of the Corporation (the “**Board of Directors**”) at a rate equal to \$1.475 per share per annum. The initial dividend, if declared, will be payable on April 30, 2010 and will be \$0.57788 per share, based on the anticipated closing date of this offering of December 8, 2009. Thereafter, dividends will be payable quarterly on the last day of January, April, July and October in each year at a rate of \$0.36875 per share. Certain provisions relating to the Series B Shares are summarized under “Details of the Offering”.

On or after December 31, 2014, IGM may, on not less than 30 nor more than 60 days’ notice, redeem for cash the Series B Shares in whole or in part, at the Corporation’s option, at \$26.00 per share if redeemed on or after December 31, 2014 and prior to December 31, 2015, \$25.75 per share if redeemed on or after December 31, 2015 and prior to December 31, 2016, \$25.50 per share if redeemed on or after December 31, 2016 and prior to December 31, 2017, \$25.25 per share if redeemed on or after December 31, 2017 and prior to December 31, 2018 and \$25.00 per share if redeemed on or after December 31, 2018, in each case together with all declared and unpaid dividends to but excluding the date of redemption. See “Details of the Offering”.

The Underwriters may offer the Series B Shares at a price lower than that stated above. See “Plan of Distribution”.

BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., CIBC World Markets Inc., National Bank Financial Inc., Scotia Capital Inc., TD Securities Inc., Canaccord Financial Ltd., Desjardins Securities Inc., GMP Securities L.P., and HSBC Securities (Canada) Inc. (collectively, the “**Underwriters**”), as principals, conditionally offer the Series B Shares, subject to prior sale, if, as and when issued by IGM and accepted by us in accordance with the conditions contained in the underwriting agreement referred to under "Plan of Distribution" below, and subject to approval of certain legal matters on behalf of IGM by Blake, Cassels & Graydon LLP and on behalf of the Underwriters by Torys LLP. See "Plan of Distribution". In connection with this offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Series B Shares at a level above that which might otherwise prevail in the open market. See "Plan of Distribution".

Price: \$25.00 per share to yield 5.90%

	Price to the Public	Underwriters' Fee ⁽¹⁾⁽³⁾	Net Proceeds to the Corporation ⁽²⁾⁽³⁾
Per Series B Share	\$25.00	\$0.75	\$24.25
Total	\$150,000,000	\$4,500,000	\$145,500,000

- (1) The Underwriters' fee is \$0.25 for each Series B Share sold to certain institutions and \$0.75 per share for all other Series B Shares sold. The commission set forth in the table assumes that no shares are sold to such institutions.
- (2) Before deduction of expenses of the issue payable by the Corporation estimated at \$325,000.
- (3) The Corporation has granted to the Underwriters an option (the “**Option**”) to purchase on the same terms up to 2,000,000 additional Series B Shares, exercisable at any time up to 48 hours prior to the closing of this offering. If the Option is exercised in full, the total “Price to the Public”, “Underwriters’ Fee” and “Net Proceeds to the Corporation”, before deducting expenses of the offering, would be \$200,000,000, \$6,000,000 and \$194,000,000, respectively (assuming no Series B Shares are sold to those institutions referred to in (1) above). This Prospectus Supplement qualifies the grant of the Option as well as the distribution of the Series B Shares issuable upon exercise of the Option. See “Plan of Distribution.”

<u>Underwriters' Position</u>	<u>Maximum Size</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Option	2,000,000 Series B Shares	At any time up to 48 hours prior to closing	\$25.00

IGM has applied to list the Series B Shares on the Toronto Stock Exchange (the “**TSX**”). Listing will be subject to IGM fulfilling all of the requirements of the TSX.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing date will be on or about December 8, 2009 or such other date not later than December 31, 2009 as may be agreed upon by the Corporation and the Underwriters. A book-entry only certificate representing the Series B Shares distributed hereunder will be issued in registered form only to CDS Clearing and Depository Services Inc. (“**CDS**”), or its nominee, and will be deposited with CDS on the closing of this offering. A purchaser of the Series B Shares will receive only a customer confirmation from the registered dealer who is a CDS participant and from or through whom the shares are purchased. See "Details of the Offering — Depository Services".

IGM’s registered and head office is located at 447 Portage Avenue, Winnipeg, Manitoba, R3C 3B6.

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In this Prospectus Supplement, unless otherwise indicated, capitalized terms which are defined in the accompanying short form base shelf prospectus of IGM dated November 18, 2008 (the "**Prospectus**") are used herein with the meanings defined therein.

FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus Supplement, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect IGM's current expectations. Forward-looking statements are provided for the purposes of assisting the reader in understanding the Corporation's financial position and results of operations as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Corporation, as well as the outlook for North American and international economics, for the current fiscal year and subsequent periods. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "seeks", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could". This information is based upon certain material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking statements, including the perception of historical trends, current conditions and expected future developments, as well as other factors that are believed to be appropriate in the circumstances. By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of material factors, many of which are beyond the Corporation's and its subsidiaries' control, affect the operations, performance and results of the Corporation, and its subsidiaries, and their businesses, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, management of market liquidity and funding risks, credit risk, risk relating to assets under management, distribution risk, model risk, 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 (including adoption of International Financial Reporting Standards), operational and reputational risks, business competition, technological change, changes in government regulations and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, the Corporation's ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, and the Corporation's success in anticipating and managing the foregoing factors.

The reader is cautioned that the foregoing list of factors is not exhaustive of the factors that may affect any of the Corporation's forward-looking statements. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not place undue reliance on forward-looking statements. Other than as specifically required by law, the Corporation undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise. Additional information about the risks and uncertainties of the Corporation's business is provided under "*Risk Factors*" in this Prospectus Supplement and in its disclosure materials filed with the securities regulatory authorities in Canada, available at www.sedar.com.

ELIGIBILITY FOR INVESTMENT

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Corporation, and Torys LLP, counsel to the Underwriters, the Series B Shares to be issued under this Prospectus Supplement, if issued on the date hereof, would be, on such date, qualified investments under the *Income Tax Act* (Canada) (the "**Income Tax Act**") and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, tax-free savings accounts, registered education savings plans and registered disability savings plans.

The Series B Shares will not be a "prohibited investment" for a trust governed by a tax-free savings account on such date provided the holder of the tax-free savings account deals at arm's length with the Corporation for purposes of the Income Tax Act and does not have a significant interest (within the meaning of the Income Tax Act) in the Corporation or in any person or partnership with which the Corporation does not deal at arm's length for purposes of the Income Tax Act.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the accompanying Prospectus, solely for the purpose of the offering of the Series B Shares. Other documents are also incorporated or deemed to be incorporated by reference into the Prospectus and reference should be made to the Prospectus for full particulars thereof. The following documents filed with the various securities commissions or similar authorities in Canada, are incorporated by reference into this Prospectus Supplement:

- (i) IGM's annual information form dated March 18, 2009, which incorporates by reference portions of the annual report of IGM for the year ended December 31, 2008;
- (ii) IGM's audited comparative consolidated financial statements for the year ended December 31, 2008, together with the auditors' report for IGM's 2008 fiscal year;
- (iii) IGM's management's discussion and analysis of the operations and financial condition of IGM for the year ended December 31, 2008 ("**IGM's 2008 MD&A**");
- (iv) IGM's unaudited interim consolidated financial statements for the three and nine months ended September 30, 2009;
- (v) IGM's management's discussion and analysis of the operations and financial condition of IGM for the three and nine months ended September 30, 2009; and
- (vi) IGM's management information circular dated March 2, 2009 regarding IGM's meeting of shareholders to be held on May 1, 2009.

CONSOLIDATED CAPITALIZATION

Since September 30, 2009, other than the issuance of the Series B Shares pursuant to this Prospectus Supplement, there have been no material changes to the share and loan capital of IGM on a consolidated basis.

RECENT DEVELOPMENTS

On November 30, 2009, IGM announced its intention to redeem all \$360 million of its outstanding 5.75% Non-cumulative First Preferred Shares, Series A (the "**Series A Shares**") on December 31, 2009. The redemption price will be \$26.00 for each Series A Share plus an amount equal to all declared and unpaid dividends, less any tax required to be deducted and withheld by the Corporation.

USE OF PROCEEDS

The net proceeds from the sale of the Series B Shares, including the Series B Option Shares (as defined herein), will amount to approximately \$193,675,000 after deducting the Underwriters' fee (assuming no sales of Series B Shares to certain institutions) and estimated expenses of the issue. The Underwriters' fee and the expenses of this offering will be paid out of the proceeds of this offering.

The net proceeds to IGM from the sale of the Series B Shares under this Prospectus Supplement will be used to supplement its financial resources and for general corporate purposes.

PLAN OF DISTRIBUTION

Under an underwriting agreement (the “**Underwriting Agreement**”) dated December 1, 2009 between the Corporation and the Underwriters, the Corporation has agreed to sell and the Underwriters have severally agreed to purchase, as principals, subject to compliance with all necessary legal requirements and to the terms and conditions contained therein, on December 8, 2009 or such other date not later than December 31, 2009 as may be agreed upon by the parties, all but not less than all of the 6,000,000 Series B Shares at an aggregate price of \$150,000,00 payable in cash to the Corporation against delivery.

In consideration for their services in connection with this offering, the Corporation has agreed to pay the Underwriters a fee equal to \$0.25 per Series B Share sold to certain exempt institutions and \$0.75 per share with respect to all other sales of Series B Shares. Assuming that no Series B Shares are sold to such institutions, the Underwriters’ fee will be \$4,500,000. All fees payable to the Underwriters will be paid on account of services rendered in connection with the issue and will be paid out of the proceeds of this offering.

IGM has granted to the Underwriters the Option, whereby they may purchase on the same terms up to an additional 2,000,000 Series B Shares (the “**Series B Option Shares**”). The Underwriters may exercise the Option at any time up to 48 hours prior to the closing of this offering. The Corporation has agreed to pay the Underwriters a fee equal to \$0.25 per Series B Option Share sold to certain exempt institutions and \$0.75 per share with respect to all other sales of Series B Option Shares. This Prospectus Supplement also qualifies the grant of the Option and the distribution of the Series B Shares issuable upon the exercise of the Option.

The Underwriting Agreement provides that the Underwriters may, at their discretion, terminate their obligations thereunder upon the occurrence of certain stated events or if there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence, or any action, government law or regulation, inquiry or other occurrence of any nature whatsoever which materially adversely affects, or may in the reasonable opinion of the Underwriters be expected to materially adversely affect, Canadian financial or equity markets or the business, operations or affairs of the Corporation. The Underwriters are, however, obligated to take up and pay for all the Series B Shares if any Series B Shares are purchased under the Underwriting Agreement.

The Underwriters may not, throughout the period of distribution, bid for or purchase the Series B Shares. The foregoing restriction is subject to certain exemptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Series B Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. In connection with this offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Series B Shares at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Underwriting Agreement provides that, without the prior written consent of BMO Nesbitt Burns Inc., on behalf of the Underwriters, the Corporation will not sell or announce its intention to sell, nor will the Corporation authorize or issue, or announce its intention to authorize or issue, any preferred shares or securities convertible or exchangeable for or into preferred shares other than the Series B Shares during the period commencing on the date of the Underwriting Agreement and ending 60 days after the closing of the offering.

The Series B Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws and, subject to certain exemptions, may not be offered or sold within the United States or to U.S. persons. The distribution of this Prospectus Supplement and the offering and sale of the Series B Shares are also subject to certain restrictions under the laws of certain other jurisdictions outside of Canada. Each Underwriter has agreed that it will not offer for sale or sell or deliver the Series B Shares in any such jurisdiction except in accordance with the laws thereof.

The Underwriters propose to offer the Series B Shares initially at the offering price specified on the cover page of this Prospectus Supplement. After the Underwriters have made a reasonable effort to sell all of the Series B Shares at the price specified on the cover page, the offering price may be decreased and may be further changed from time to time to an amount not greater than that set out on the cover page.

The determination of the terms of the distribution, including the issue price of the Series B Shares, was made through negotiations between the Corporation and the Underwriters.

IGM has applied to list the Series B Shares on the TSX. Listing will be subject to IGM fulfilling all of the requirements of the TSX.

EARNINGS COVERAGE RATIOS

IGM's annualized dividend requirements on all of its preferred shares, after giving effect to the issue of the Series B Shares, including the Series B Option Shares, and adjusted to a pre-tax equivalent using effective income tax rates of 29.3% and 30.8%, respectively, amounted to \$16.7 million and \$17.0 million for the twelve months ended December 31, 2008 and the twelve months ended September 30, 2009, respectively.⁽¹⁾ IGM's annualized interest requirements on its consolidated debt for each of the twelve month periods ended December 31, 2008 and September 30, 2009 amounted to \$110.6 million.⁽¹⁾

IGM's earnings before interest on debt and dividends on preferred shares classified as liabilities, income tax and non-controlling interest for the twelve months ended December 31, 2008 and September 30, 2009 were \$1,135.7 million and \$881.6 million, respectively, which is 8.9 times and 6.9 times IGM's annual aggregate dividend and interest on debt requirements for the respective periods.

Notes:

(1) The annualized dividend and interest requirements have been calculated after giving effect to the redemption of all of the Series A Shares, as discussed under "Recent Developments".

DETAILS OF THE OFFERING

The following is a summary of certain provisions attaching to the Series B Shares, as a series, which represents a series of First Preferred Shares of the Corporation. See "Description of First Preferred Shares" in the Prospectus for a description of the general terms and provisions of the First Preferred Shares of the Corporation as a class.

Certain Provisions of the Series B Shares as a Series

Dividends

The holders of the Series B Shares will be entitled to receive quarterly non-cumulative preferential cash dividends, if, as and when declared by the Board of Directors, on the last day of January, April, July and October in each year at a rate equal to \$0.36875 per share. The initial dividend, if declared, will be payable on April 30, 2010 and will be \$0.57788 per share, assuming a closing date of December 8, 2009.

If the Board of Directors does not declare any dividend, or any part thereof, on the Series B Shares on or before the dividend payment date for a particular quarter, then the entitlement of the holders of the Series B Shares to receive such dividend, or to any part thereof, for such quarter will be forever extinguished.

Redemption by the Corporation

The Series B Shares will not be redeemable prior to December 31, 2014. Subject to the provisions described below under "Restrictions on Dividends on and Retirement of Other Shares", the Corporation may redeem on or

after December 31, 2014 all, or from time to time any, of the then outstanding Series B Shares. Such redemption may be made, at the Corporation's option without the consent of the holder, upon payment in cash of the amount of \$26.00 per share if redeemed on or after December 31, 2014 and prior to December 31, 2015, \$25.75 per share if redeemed on or after December 31, 2015 and prior to December 31, 2016, \$25.50 per share if redeemed on or after December 31, 2016 and prior to December 31, 2017, \$25.25 per share if redeemed on or after December 31, 2017 and prior to December 31, 2018 and \$25.00 per share if redeemed on or after December 31, 2018, in each case together with an amount equal to all declared and unpaid dividends thereon to but excluding the date of redemption. The Corporation shall provide not less than 30 nor more than 60 days' notice of such redemption to each holder of Series B Shares to be redeemed. If less than all of the outstanding Series B Shares are at any time to be redeemed, the shares to be redeemed will be selected pro rata (disregarding fractions) or in such manner as the Corporation may determine.

Purchase for Cancellation

Subject to the provisions described below under the heading "Restrictions on Dividends and Retirement of Shares", and subject to the provisions of any shares of the Corporation ranking prior to or *pari passu* with the First Preferred Shares, IGM may at any time purchase for cancellation any Series B Share by private contract or in the open market or by tender, at the lowest price or prices at which in the opinion of the Board of Directors such Series B Shares are obtainable.

Restrictions on Dividends on and Retirement of Other Shares

So long as any of the Series B Shares are outstanding, the Corporation shall not, without the approval of the holders of the Series B Shares given as described under "Modification of Series" below:

- (i) declare or pay any dividend (other than stock dividends in shares ranking junior to the Series B Shares) on the Common Shares or any other shares of the Corporation ranking junior to the Series B Shares;
- (ii) except out of the net cash proceeds of an issue of shares of the Corporation ranking junior to the Series B Shares, redeem, purchase or otherwise retire or make any return of capital in respect of the Common Shares or other shares of the Corporation ranking junior to the Series B Shares;
- (iii) redeem, purchase or otherwise retire or make any return of capital in respect of less than all of the Series B Shares; or
- (iv) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem, purchase or otherwise retire or make any return of capital in respect of any shares of the Corporation ranking *pari passu* with the Series B Shares;

unless dividends (including cumulative dividends, if any) for the immediately preceding payment date (as defined in the share provisions) in respect of the Series B Shares and all other shares ranking prior to or *pari passu* with the Series B Shares shall have been declared and paid or monies set aside for payment.

Voting Rights

The holders of the Series B Shares will not be entitled as such to receive notice of or to attend or to vote at any meeting of the shareholders of the Corporation unless and until the Corporation shall have failed to declare and pay eight quarterly dividends, whether or not consecutive, on the Series B Shares. In that event, until such time as the Corporation pays the whole amount of a quarterly dividend on the Series B Shares, the holders of such shares will be entitled to receive notice of and to attend all meetings of the shareholders of the Corporation and will be entitled to one vote per Series B Share. The voting rights of the holders of the Series B Shares shall forthwith cease upon payment by the Corporation of the whole amount of a quarterly dividend on the Series B Shares subsequent to the time such voting rights first arose.

Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, whether voluntary or involuntary, subject to the prior satisfaction of the claims of all creditors of the Corporation and of holders of shares of the Corporation ranking prior to the Series B Shares, the holders of the Series B Shares shall be entitled to be paid and to receive an amount equal to \$25.00 per Series B Share plus declared and unpaid dividends up to and including the date of distribution before any amount shall be paid or any assets of the Corporation shall be distributed to the holders of Common Shares or of shares of any other class of the Corporation ranking junior to the Series B Shares. After payment to the holders of the Series B Shares of the amount so payable to them, they shall not be entitled to share in any further distribution of the assets of the Corporation.

Modification of Series

Approval of variations to the provisions of the Series B Shares as a series and any other authorization required to be given by the holders of such shares as a series may be given by a resolution passed by an affirmative vote of not less than two-thirds of the votes cast at a meeting of the holders of Series B Shares duly called for such purpose and held upon at least 21 days' notice at which the holders of a majority of the outstanding shares of such series are present in person or represented by duly qualified proxy or, if no quorum is present at such meeting, at an adjourned meeting at which the holders of Series B Shares then present in person or represented by proxy will form the necessary quorum. On any vote held in respect of such a resolution, holders of Series B Shares will be entitled to one vote per share. Variations to the provisions of the Series B Shares as a series are subject to the approval of the TSX, if applicable.

Issue of Additional Series of Preferred Shares

The Corporation may issue other series of preferred shares ranking on a parity with the Series B Shares without the authorization of the holders of the Series B Shares.

Depository Services

The Series B Shares will be in "book-entry only" form and must be purchased, transferred, converted or redeemed through participants in the depository service of CDS. See "Book-Entry Only Securities" in the Prospectus.

Tax Election

The provisions of the Series B Shares as a series require the Corporation to make the necessary election under Part VI.1 of the Income Tax Act so that a corporation holding Series B Shares will not be subject to tax under Part IV.1 of the Income Tax Act on dividends received (or deemed to be received) on the Series B Shares. See "Certain Canadian Federal Income Tax Considerations".

RATINGS

The Series B Shares have been given a preliminary rating of Pfd-2(high) by DBRS Limited ("**DBRS**") and a preliminary Canadian Preferred Share rating of P-1(Low) and a Global Preferred Share rating of A- by Standard & Poor's Ratings Services ("**S&P**").

A Pfd-2 rating by DBRS is the second highest of five categories granted by DBRS for preferred shares and denotes "satisfactory credit quality". Preferred shares rated Pfd-2 are of satisfactory credit quality. Protection of dividends and principal is still substantial, but earnings, the balance sheet, and coverage ratios are not as strong as Pfd-1 rated companies. Generally, Pfd-2 ratings correspond with companies whose senior bonds are rated in the "A" category. A P-1 rating by S&P is the highest of the five categories used by S&P in its Canadian preferred share rating scale. Correspondingly, an A- rating is the fifth highest of twenty ratings used by S&P in its Global Preferred Share rating scale. According to S&P, a preferred share rating of A- indicates that the obligor's capacity to meet its

financial commitment on the obligation is still strong, but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher rated categories. The “high” and “low” designations for DBRS and S&P indicate relative strength within the rating category.

Prospective purchasers of the Series B Preferred Shares should consult the rating organization with respect to the interpretation and implication of the foregoing provisional ratings. The foregoing ratings should not be construed as a recommendation to buy, sell or hold the Series B Shares. Ratings may be revised or withdrawn at any time by the rating organization.

TRADING PRICE AND VOLUME

The Common Shares are listed and posted for trading on the TSX under the symbol “IGM”. The Series A Shares are listed under the stock symbol “IGM.PR.A”. The following tables provide information concerning the closing price range and volume of the Common Shares and Series A Shares on the TSX on a monthly basis for the 12 months prior to the date of this Prospectus Supplement:

<u>IGM Common Shares</u>				<u>IGM First Preferred Shares, Series A</u>			
<u>Period</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>	<u>Period</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
	(\$)	(\$)	(000's)		(\$)	(\$)	(000's)
2008				2008			
November	36.62	29.90	5,651,522	November	25.49	24.80	260,567
December	35.45	28.60	6,917,583	December	25.50	24.75	371,384
2009				2009			
January	36.35	30.76	3,884,570	January	25.75	24.01	521,662
February	34.50	26.18	8,900,215	February	25.97	25.25	155,516
March	32.17	25.07	13,308,430	March	26.57	25.09	120,431
April	36.39	30.25	5,978,096	April	26.79	25.65	75,339
May	39.25	35.73	4,970,176	May	26.98	26.25	144,359
June	43.31	38.12	7,844,663	June	26.65	26.03	96,204
July	44.99	38.67	6,244,813	July	27.99	26.35	161,190
August	45.20	40.90	5,472,526	August	28.10	26.70	81,174
September	44.99	40.31	4,725,113	September	27.15	26.45	89,047
October	41.86	38.55	4,473,073	October	27.64	26.52	90,045
November (1 – 27)	41.51	37.99	6,159,912	November (1 – 27)	27.47	26.60	227,092

On November 30, 2009, the closing prices of the Common Shares and the Series A Shares on the TSX were \$40.68 and \$26.10, respectively.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, counsel to IGM, and Torys LLP, counsel to the Underwriters, the following is a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser of Series B Shares pursuant to this Prospectus Supplement (a "**Holder**") who, for purposes of the Income Tax Act and at all relevant times, is or is deemed to be a resident of Canada, deals at arm's length and is not affiliated with IGM and holds Series B Shares as capital property. Generally, the Series B Shares will be capital property to a Holder provided the Holder does not acquire or hold such shares in the course of carrying on a business or as part of an adventure or concern in the nature of trade. This summary is not applicable to a Holder that is a “financial institution” for purposes of the “mark-to-market property” rules in the Income Tax Act or a “specified financial institution” (as defined in the Income Tax Act), nor does it apply to a Holder an interest in which is a “tax shelter investment” (as defined in the Income Tax Act) or to a Holder which has made a “functional currency” election under the Income Tax Act to determine its Canadian tax results in a currency other than Canadian currency. Such Holders are advised to consult with their own tax advisors. This summary assumes that the Series B Shares will be listed on a “designated stock exchange” in Canada (which currently includes the TSX) at all relevant times.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular purchaser and no representations with respect to the income tax

consequence to any particular purchaser are made. Accordingly, prospective purchasers should consult their own tax advisors with respect to their particular circumstances.

This summary is based upon the current provisions of the Income Tax Act, the regulations thereunder (the “**Regulations**”), all specific proposals to amend the Income Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance prior to the date hereof (the “**Proposals**”) and counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency made publicly available prior to the date hereof. No assurances can be given that the Proposals will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any change in law or administrative policies or assessing practices, whether by legislative, governmental or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign tax legislation or considerations.

Dividends

Dividends (including deemed dividends) received on the Series B Shares by an individual will be included in the individual's income and generally will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced dividend gross-up and dividend tax credit with respect to any dividends (including deemed dividends) designated by IGM as “eligible dividends” in accordance with the Income Tax Act.

Dividends (including deemed dividends) received on the Series B Shares by a corporation will be included in computing the corporation's income and will generally be deductible in computing the taxable income of the corporation.

The Series B Shares are "taxable preferred shares" as defined in the Income Tax Act. The terms of the Series B Shares require IGM to make the necessary election under Part VI.1 of the Income Tax Act so that a corporation holding Series B Shares will not be subject to tax under Part IV.1 of the Income Tax Act on dividends received (or deemed to be received) on the Series B Shares.

Dividends received by an individual (including certain trusts) may give rise to a liability for alternative minimum tax.

A “private corporation”, as defined in the Income Tax Act, or any other corporation controlled (whether by reason of a beneficial interest in one or more trusts or otherwise) by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), will generally be liable to pay refundable tax under Part IV of the Income Tax Act of 33¹/₃% of dividends received (or deemed to be received) on the Series B Shares to the extent such dividends are deductible in computing its taxable income.

Dispositions

A Holder who disposes of or is deemed to dispose of a Series B Share (either on redemption of the Series B Share for cash or otherwise) will generally realize a capital gain (or sustain a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such share to such Holder. The amount of any deemed dividend arising on the redemption or acquisition by IGM of a Series B Share will generally not be included in computing the proceeds of disposition to the Holder for purposes of computing the capital gain or capital loss arising on the disposition of the Series B Share. See “Redemption” below. If the Holder is a corporation, any capital loss arising on the disposition of a Series B Share may, in certain circumstances, be reduced by the amount of any dividends, including deemed dividends, which have been received on the Series B Share or on any share which was converted into or exchanged for such share. Analogous rules apply to a partnership or trust of which a corporation, trust or partnership is a member or beneficiary.

Generally, one-half of any capital gain realized by a Holder in a taxation year will be included in computing the Holder's income as a taxable capital gain and one-half of a capital loss realized by a Holder in a taxation year must generally be deducted as an “allowable capital loss” from taxable capital gains realized in that year. Allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding

taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years in accordance with the provisions of the Income Tax Act. Capital gains realized by an individual (including certain trusts) may give rise to liability for alternative minimum tax under the Income Tax Act. An amount in respect of taxable capital gains of a Canadian-controlled private corporation, as defined in the Income Tax Act, may be subject to an additional refundable tax of 6 ²/₃%.

Redemption

If IGM redeems for cash or otherwise acquires a Series B Share, other than by a purchase in the open market in the manner in which shares are normally purchased by a member of the public in the open market, the Holder will be deemed to have received a dividend equal to the amount, if any, paid by IGM, including any redemption premium, in excess of the paid-up capital (as determined for purposes of the Income Tax Act) of such share at such time. Generally, the proceeds of disposition for purposes of computing the capital gain or capital loss arising on the disposition of such share will be equal to the amount paid by IGM on redemption or acquisition of such share, including any redemption premium, less the amount of the deemed dividend, if any. In the case of a corporate shareholder, it is possible that in certain circumstances all or part of the deemed dividend may be treated as proceeds of disposition and not as a dividend.

RISK FACTORS

Before deciding whether to invest in any Series B Shares, investors should consider carefully the risks set out herein and incorporated by reference in this Prospectus Supplement, including the disclosure under “*Financial Instruments*”, “*Market Risk Related To Assets Under Management*” and “*Other Risk Factors*” on pages 44 to 50 of IGM’s 2008 MD&A (which disclosure includes discussion concerning financial instruments, liquidity risk, credit risk, market risk (including risk related to assets under management), distribution risk, risks regarding the regulatory environment, contingencies, acquisition risk and model risk), and all subsequently filed documents incorporated by reference.

There are certain risks inherent in the activities of IGM and an investment in the Series B Shares, including the following, which investors should consider carefully before investing in the Series B Shares. This description of risks does not include all possible risks, and there may be other risks of which IGM is not currently aware.

Risks Associated with IGM

General Economic Conditions

From time to time, stock markets experience significant price and volume volatility that may affect the market price of the securities of the Corporation for reasons unrelated to its operating performance.

In addition, adverse economic conditions, such as reduced or negative growth in North American and other economies, and other factors, including a protracted or precipitous decline in the stock markets, could affect the level of assets under management and sales of IGM’s products and services or result in investors withdrawing from the markets or decreasing the extent to which they contribute to investment products.

Unfavourable economic conditions may materially adversely affect the businesses, financial condition, liquidity and results of operations of IGM’s principal subsidiaries and, in turn, IGM.

Competition

IGM and its subsidiaries operate in a highly competitive environment. Investors Group Inc. and Investment Planning Counsel Inc. compete directly with other retail financial service providers, including other financial planning firms, as well as full service brokerages, banks and insurance companies. Investors Group Inc., Mackenzie Financial Corporation and Counsel Group of Funds Inc. compete directly with other investment managers for assets under management, and also compete with other asset classes, including stocks, bonds and other passive investment vehicles, for the investment assets of Canadians. There can be no assurance that IGM and its subsidiaries will be

able to compete effectively and retain their current standing in the market or their current market share and the business, financial condition or operating results of IGM may be adversely affected should circumstances change.

Management, investment and distribution personnel play an important role in developing, implementing, managing and distributing products and services offered by IGM. The loss of these individuals or an inability to attract, retain and motivate sufficient numbers of qualified personnel could affect IGM's business.

Risks Associated with the Series B Shares

IGM is a holding company that holds interests in the personal financial services industry through its ownership of Investors Group Inc., Mackenzie Inc. and Investment Planning Counsel Inc. As a result, investors in IGM are subject to the risks that IGM has as shareholder of each of its subsidiaries. As a holding company, IGM's ability to pay interest and other operating expenses and dividends and to meet its obligations generally depends upon receipt of sufficient funds from its principal subsidiaries and other investments and its ability to raise additional capital. The likelihood that holders of Series B Shares will receive dividend payments will be dependent upon the financial position and creditworthiness of the principal subsidiaries of IGM.

The value of Series B Shares will be affected by the general creditworthiness of IGM. The market value of the Series B Shares, as with other preferred shares, is primarily affected by changes (actual or anticipated) in prevailing interest rates and in the credit rating assigned to such shares. Real or anticipated changes in credit ratings on the Series B Shares may also affect the cost at which IGM can transact or obtain funding, and thereby affect its liquidity, business, financial condition or results of operations.

The Series B Shares rank equally with other First Preferred Shares of IGM in the event of an insolvency or winding-up of IGM. If IGM becomes insolvent or is wound-up, IGM's assets must be used to pay debt, including subordinated debt, before payments may be made on Series B Shares and other preferred shares.

The Series B Shares are non-cumulative and dividends are payable at the discretion of the Board of Directors. See "Details of the Offering" and "Earnings Coverage Ratios" which are relevant to an assessment of the risk that IGM will be unable to pay dividends on the Series B Shares.

The Series B Shares do not have a fixed maturity date and are not redeemable at the option of the holders thereof. The ability of a holder to dispose of its holdings of Series B Shares may be limited.

Stock market volatility may affect the market price of the Series B Shares for reasons unrelated to IGM's performance.

There can be no assurance that an active trading market will develop for the Series B Shares after the offering, or, if developed, that such market will be sustained at the offering price of the Series B Shares.

LEGAL MATTERS

Certain legal matters in connection with the securities offered hereby will be passed upon by Blake, Cassels & Graydon LLP on behalf of the Corporation and by Torys LLP on behalf of the Underwriters. As of the date hereof, the partners and associates of Blake, Cassels & Graydon LLP, as a group, and Torys LLP, as a group, each beneficially own, directly or indirectly, less than 1% of the outstanding securities of IGM or any associated party or affiliate of IGM.

TRANSFER AGENT AND REGISTRAR

The Corporation acts as transfer agent and registrar for the Series B Shares of the Corporation and its head office is located in Winnipeg, Manitoba.

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

AUDITORS' CONSENT

We have read the prospectus supplement of IGM Financial Inc. (“**IGM**”) dated December 1, 2009 qualifying the distribution of 5.90% Non-Cumulative First Preferred Shares, Series B, to the Short Form Base Shelf Prospectus dated November 18, 2008 relating to the offering of up to \$1,500,000,000 of Debt Securities (unsecured), Preferred Shares and Common Shares (collectively, the “**Prospectus**”). We have complied with Canadian generally accepted standards for an auditor’s involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned Prospectus of our report to the shareholders of IGM on the consolidated balance sheets of IGM as at December 31, 2008 and 2007, and the consolidated statements of income, comprehensive income, changes in shareholders’ equity, and cash flows for the years then ended. Our report is dated February 12, 2009.

Winnipeg, Manitoba
December 1, 2009

(Signed) DELOITTE & TOUCHE LLP
Chartered Accountants

CERTIFICATE OF THE UNDERWRITERS

Dated: December 1, 2009

To the best of our knowledge, information and belief, the short form prospectus dated November 18, 2008, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of all provinces and territories of Canada.

BMO NESBITT BURNS INC.

RBC DOMINION SECURITIES INC.

(signed) Bradley J. Hardie

(signed) Rajiv Bahl

**CIBC WORLD MARKETS
INC.**

**NATIONAL BANK
FINANCIAL INC.**

SCOTIA CAPITAL INC.

TD SECURITIES INC.

(signed) Donald A. Fox

(signed) Darin E.
Deschamps

(signed) Mary Robertson

(signed) Cameron
Goodnough

**CANACCORD FINANCIAL
LTD.**

**DESJARDINS SECURITIES
INC.**

GMP SECURITIES L.P.

**HSBC SECURITIES
(CANADA) INC.**

(signed) Jens Mayer

(signed) Duane Lee

(signed) Neil Selfe

(signed) Catherine Code

Short Form Base Shelf Prospectus

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This short form shelf prospectus has been filed under legislation in all provinces and territories of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of IGM Financial Inc., One Canada Centre, 447 Portage Avenue, Winnipeg, Manitoba, R3C 3B6 (telephone: (204) 956-8532), and are also available electronically at www.sedar.com.

Short Form Base Shelf Prospectus

New Issue

November 18, 2008



IGM FINANCIAL INC.

\$1,500,000,000

Debt Securities (unsecured)

First Preferred Shares

Common Shares

IGM Financial Inc. (“IGM” or the “Corporation”) may from time to time offer and issue the following securities: (i) debt securities (the “Debt Securities”); (ii) first preferred shares (the “Preferred Shares”); and (iii) common shares (the “Common Shares”), or any combination thereof. The Debt Securities, Preferred Shares and Common Shares (collectively, the “Securities”) offered hereby may be offered separately or together, in separate series, in amounts, at prices and on terms to be set forth in an accompanying shelf prospectus supplement (a “Prospectus Supplement”). All shelf information not included in this short form base shelf prospectus (the “Prospectus”) will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with the Prospectus. IGM may sell up to \$1,500,000,000 in aggregate initial offering price of Securities (or the Canadian dollar equivalent thereof at the time of issuance if any of the Securities are denominated in a foreign currency or currency unit) during the 25 month period that this Prospectus, including any amendments hereto, remains valid.

The specific terms of the Securities in respect of which this Prospectus is being delivered will be set forth in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, maturity, interest provisions, authorized denominations, offering price, covenants, events of default, any terms for redemption at the option of IGM or the holder, any exchange or conversion terms and any other specific terms; (ii) in the case of Preferred Shares, the designation of the particular class, series, aggregate principal amount, the number of shares offered, the issue price, the dividend rate, the dividend payment dates, any terms for redemption at the option of IGM or the holder, any exchange or conversion terms and any other specific terms; and (iii) in the case of Common Shares, the number of shares and the offering price. A prospectus supplement may include specific variable terms pertaining to the Securities that are not within the alternatives and parameters described in this Prospectus.

This Prospectus does not qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, any

currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items.

The outstanding Common Shares and the Preferred Shares, Series A, of the Corporation are listed on the Toronto Stock Exchange (the “**TSX**”) under the stock symbol “**IGM**”, and “**IGM.PR.A**”, respectively.

The Securities may be sold through underwriters or dealers, by IGM directly pursuant to applicable statutory exemptions or through agents designated by IGM from time to time. See “Plan of Distribution”. Each Prospectus Supplement will identify each underwriter, dealer or agent engaged in connection with the offering and sale of those Securities, and will also set forth the terms of the offering of such Securities including the net proceeds to IGM and, to the extent applicable, any fees payable to the underwriters, dealers or agents. The offerings are subject to approval of certain legal matters on behalf of IGM.

IGM’s registered and head office is located at 447 Portage Avenue, Winnipeg, Manitoba, R3C 3B6.

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FORWARD-LOOKING STATEMENTS

This Prospectus, including the documents that are incorporated by reference in this Prospectus, contains forward-looking statements about IGM, 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 Corporation 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 Corporation, 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 Corporation due to, but not limited to, important factors such as dependence on and retention of key personnel, risks related to distribution, competition, sales and redemption, 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 Corporation’s ability to complete strategic transactions and integrate acquisitions and the Corporation’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 Corporation has no specific intention to update any forward-looking statements that are contained in this Prospectus or the documents incorporated by reference in this Prospectus whether as a result of new information, future events or otherwise.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, filed with securities commissions or similar authorities in Canada, are specifically incorporated by reference into and form an integral part of this Prospectus:

- (i) IGM's annual information form dated March 20, 2008 ("**IGM's 2007 AIF**"), which incorporates by reference portions of the annual report of IGM for the year ended December 31, 2007 ("**IGM's 2007 Annual Report**");
- (ii) IGM's audited comparative consolidated financial statements for the year ended December 31, 2007, together with the auditors' report for IGM's 2007 fiscal year;
- (iii) IGM's management's discussion and analysis of the operations and financial condition of IGM for the year ended December 31, 2007 ("**IGM's 2007 MD&A**") contained in IGM's 2007 Annual Report;
- (iv) IGM's interim unaudited consolidated financial statements as at and for the three and nine month periods ended September 30, 2008;
- (v) IGM's management's discussion and analysis of the operations and financial condition of IGM as at and for the three and nine months ended September 30, 2008 ("**IGM's Third Quarter 2008 MD&A**"); and
- (vi) IGM's management information circular dated March 3, 2008 regarding IGM's meeting of shareholders held on May 2, 2008.

All documents of IGM of the type described in Section 11.1 of Form 44-101F1 — Short Form Prospectus to National Instrument 44-101 — Short Form Prospectus Distributions, if filed by IGM with the provincial and territorial securities commissions or similar authorities in Canada after the date of this Prospectus and during the term of this Prospectus shall be deemed to be incorporated by reference into this Prospectus.

A Prospectus Supplement containing the specific terms in respect of any Securities will be delivered, together with this Prospectus, to purchasers of such Securities and will be deemed to be incorporated into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement, but only for the purposes of the distribution of the Securities to which such Prospectus Supplement pertains.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

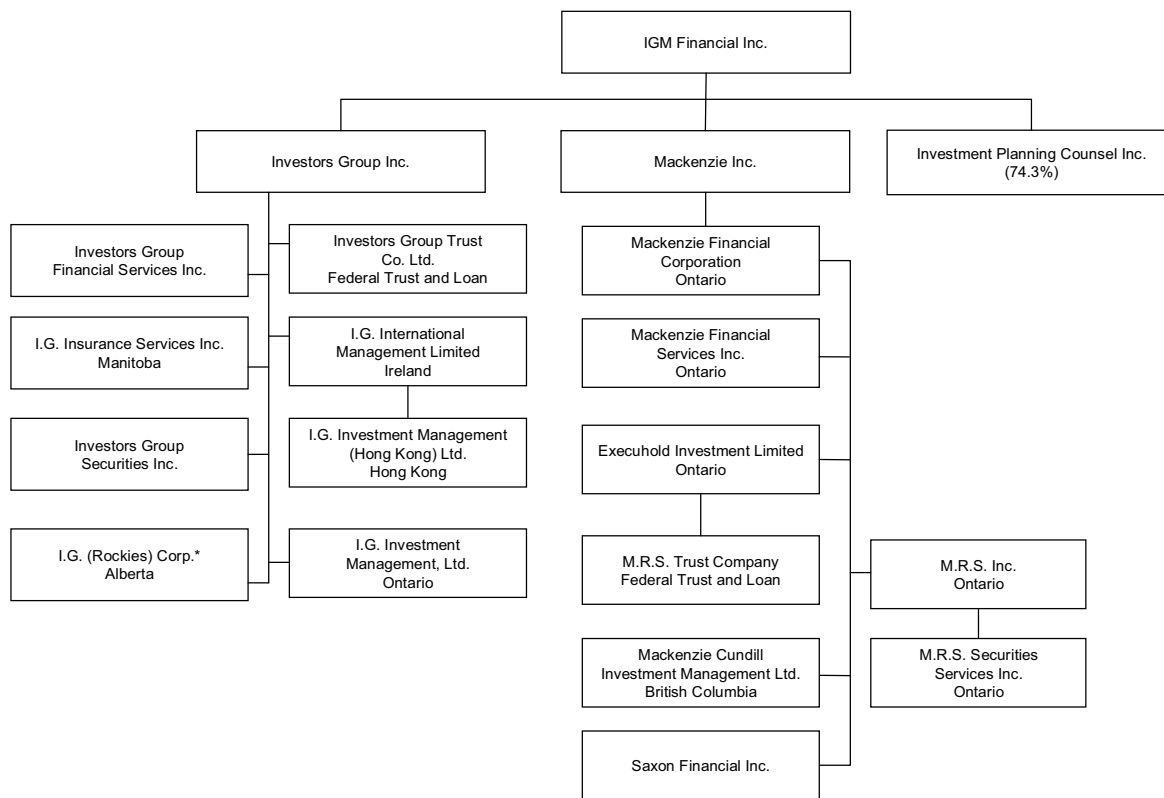
When a new annual information form and related annual financial statements is filed by IGM and, where required, accepted by the applicable securities regulatory authorities during the term of this Prospectus, the previous annual information form, the previous annual financial statements, all interim financial statements, material change

reports and information circulars filed by IGM prior to the commencement of IGM’s financial year in which the new annual information form is filed shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

IGM FINANCIAL INC.

IGM was incorporated under the *Canada Business Corporations Act* (the “**CBCA**”) on August 3, 1978 and its capital structure reorganized by Articles of Amendment effective September 19, 1986. Its name was changed to IGM Financial Inc. by Articles of Amendment effective April 30, 2004 and its Articles were re-stated effective April 30, 2004. IGM is a subsidiary of Power Financial Corporation.

The following chart details the inter-corporate relationships among IGM and its principal subsidiaries as of September 30, 2008, giving the jurisdiction of incorporation or organization and percentage of voting securities held.



Unless otherwise indicated, all companies were incorporated under the CBCA and 100% of their voting securities are owned, directly or indirectly, by IGM.

*Investors Group Inc. owns 80.4% of the voting shares and I.G. Investment Management, Ltd. owns 19.6% of the voting shares.

SUMMARY DESCRIPTION OF BUSINESS

IGM is a personal financial services company, primarily providing investment advisory and related services, with \$118.5 billion in total assets under management as at September 30, 2008. Its activities are carried out through Investors Group Inc. (“**Investors Group**”), Mackenzie Financial Corporation (“**Mackenzie**”) and Investment Planning Counsel Inc. (“**IPC**”). IGM is a member of the Power Financial Corporation group of companies.

- **Investors Group Inc.** – Investors Group, founded in 1926, delivers personalized financial solutions to Canadians through a network of over 4,400 consultants located throughout Canada, with \$54.3 billion in assets under management. In addition to an exclusive family of mutual funds and other investment vehicles, Investors Group offers a wide range of insurance, securities, mortgage products and services, and, through National Bank of Canada, also offers banking products and services.
- **Mackenzie Financial Corporation** – Mackenzie was founded in 1967, and is an investment management firm providing investment advisory and related services. With \$64.8 billion in assets under management, Mackenzie distributes its products and services primarily through a diversified distribution network of third party financial advisors.
- **Investment Planning Counsel Inc.** – IPC was founded in 1996, and is an independent distributor of financial products, services and advice in Canada.

Additional information with respect to IGM’s businesses is included in IGM’s 2007 AIF, IGM’s 2007 MD&A and IGM’s Third Quarter 2008 MD&A, all of which are incorporated by reference into this Prospectus.

DESCRIPTION OF SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of first preferred shares, issuable in series, an unlimited number of second preferred shares, issuable in series, an unlimited number of class 1 non-voting shares and an unlimited number of Common Shares. As of September 30, 2008 there were issued and outstanding 14,400,000 non-cumulative first preferred shares, series A, and 262,433,055 Common Shares, and no other shares of any class or series outstanding.

DESCRIPTION OF DEBT SECURITIES

The following sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of Debt Securities offered by a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Debt Securities, will be described in such Prospectus Supplement.

The Debt Securities will be direct unsecured obligations of IGM and will rank equally and rateably with all other unsecured and unsubordinated indebtedness of IGM from time to time issued and outstanding.

The Debt Securities will be issued under one or more indentures between IGM and a financial institution to which the *Trust and Loan Companies Act* (Canada) applies or a financial institution organized under the laws of any province of Canada and authorized to carry on business as a trustee (each, a “**Trustee**”), as supplemented and amended from time to time (each a “**Trust Indenture**” and, collectively, the “**Trust Indentures**”).

Each Prospectus Supplement will set forth the terms and other information with respect to the Debt Securities being offered thereby, including: (i) the designation, aggregate principal amount and authorized denominations of such Debt Securities; (ii) the currency or currency units for which the Debt Securities may be purchased and the currency or currency unit in which the principal and any interest is payable (in either case, if other than Canadian dollars); (iii) the percentage of the principal amount at which such Debt Securities will be issued; (iv) the date or dates on which such Debt Securities will mature; (v) the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any); (vi) the dates on which such interest will be payable and the record dates for such payments; (vii) the Trustee under the Trust Indenture pursuant to which the Debt Securities are to be issued; (viii) any redemption term or terms under which such Debt Securities may be defeased; (ix) whether such Debt Securities are to be issued in registered form, “book-entry only” form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof; (x) any exchange or conversion terms; and (xi) any other specific terms.

Debt Securities may, at the option of IGM, be issued in fully registered form, in bearer form or in “book-entry only” form. See “Book-Entry Only Securities”.

DESCRIPTION OF PREFERRED SHARES

The following sets forth certain general terms and provisions of the Preferred Shares. The particular terms and provisions of a series of Preferred Shares offered by a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in such Prospectus Supplement. Preferred Shares may be issued in fully registered form or in “book-entry only” form. See “Book-Entry Only Securities”.

First Preferred Shares

The Preferred Shares may be issued in one or more series and the Board of Directors of IGM is authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. The Preferred Shares rank in priority to the second preferred shares, Common Shares, and class 1 non-voting shares, and any other class of shares ranking junior to the Preferred Shares, with respect to payment of dividends and with respect to payment of distributions in the event of the liquidation, dissolution or winding-up of IGM. Except as required by law or as may be allowed in respect of specific series of Preferred Shares, the holders of the Preferred Shares are not entitled to receive notice of, to attend or to vote at any meeting of shareholders of IGM.

The provisions attaching to the Preferred Shares may be repealed, altered, modified or amended with such approval as may then be required by the CBCA, currently being at least two-thirds of the votes cast at a meeting or adjourned meeting of the holders of such shares duly called for the purpose at which a quorum is present.

DESCRIPTION OF COMMON SHARES

Common Shares entitle the holders thereof to vote at any meeting of shareholders of the Corporation. Holders of Common Shares are entitled to dividends, as and when declared by the Board of Directors of IGM, and are subject to the priority of payment of dividends attached to First Preferred Shares and Second Preferred Shares. After payment to holders of First Preferred Shares, Second Preferred Shares and any other class of shares of amounts which they are entitled to receive in the event of liquidation, dissolution or winding-up of the Corporation, the remaining assets of the Corporation will be paid to or distributed equally among the holders of Common Shares and the holders of Class 1 Non-Voting Shares, without preference or distinction.

BOOK-ENTRY ONLY SECURITIES

Securities issued in “book-entry only” form must be purchased, transferred or redeemed through participants (“**CDS Participants**”) in the depository service of CDS Clearing and Depository Services Inc. or a successor (collectively, “**CDS**”). Each of the underwriters, dealers or agents, as the case may be, named in an accompanying Prospectus Supplement will be a CDS Participant or will have arrangements with a CDS Participant. On the closing of a book-entry only offering, IGM may cause a global certificate or certificates representing the aggregate number of Securities subscribed for under such offering to be delivered to, and registered in the name of, CDS or its nominee. Except as described below, no purchaser of Securities will be entitled to a certificate or other instrument from IGM or CDS evidencing that purchaser’s ownership thereof, and no purchaser will be shown on the records maintained by CDS except through a book-entry account of a CDS Participant acting on behalf of such purchaser. Each purchaser of Securities will receive a customer confirmation of purchase from the registered dealer from which the Securities are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for its CDS Participants having interests in the Securities. Reference in this Prospectus to a holder of Securities means, unless the context otherwise requires, the owner of the beneficial interest in the Securities.

If IGM determines, or CDS notifies IGM in writing, that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the Securities and IGM is unable to locate a qualified successor, or if IGM at its option elects, or is required by law, to terminate the book-entry system, then the Securities will be issued in fully registered form to holders or their nominees.

Transfer, Conversion or Redemption of Securities

Transfer of ownership, conversion or redemptions of Securities will be effected through records maintained by CDS or its nominee for such Securities with respect to interests of CDS Participants, and on the records of Participants with respect to interests of persons other than CDS Participants. Holders who desire to purchase, sell or otherwise transfer ownership of or other interests in the Securities may do so only through CDS Participants.

The ability of a holder to pledge a Security or otherwise take action with respect to such holder's interest in a Security (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

Payments and Notices

Payments of principal, redemption price, if any, dividends and interest, as applicable, on each Security will be made by IGM to CDS or its nominee, as the case may be, as the registered holder of the Security and IGM understands that such payments will be credited by CDS or its nominee in the appropriate amounts to the relevant CDS Participants. Payments to holders of Securities of amounts so credited will be the responsibility of the CDS Participants.

As long as CDS or its nominee is the registered holder of the Securities, CDS or its nominee, as the case may be, will be considered the sole owner of the Securities for the purposes of receiving notices or payments on the Securities. In such circumstances, the responsibility and liability of IGM in respect of notices or payments on the Securities is limited to giving or making payment of any principal, redemption price, if any, dividends and interest due on the Securities to CDS or its nominee.

Each holder must rely on the procedures of CDS and, if such holder is not a CDS Participant, on the procedures of the CDS Participant through which such holder owns its interest, to exercise any rights with respect to the Securities. IGM understands that under existing policies of CDS and industry practices, if IGM requests any action of holders or if a holder desires to give any notice or take any action which a registered holder is entitled to give or take with respect to the Securities, CDS would authorize the CDS Participant acting on behalf of the holder to give such notice or to take such action, in accordance with the procedures established by CDS or agreed to from time to time by IGM, any Trustee and CDS. Any holder that is not a Participant must rely on the contractual arrangement it has directly, or indirectly through its financial intermediary, with its CDS Participant to give such notice or take such action.

IGM, the underwriters, dealers or agents and any Trustee identified in an accompanying Prospectus Supplement, as applicable, will not have any liability or responsibility for (i) records maintained by CDS relating to beneficial ownership interest in the Securities held by CDS or the book-entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interest; or (iii) any advice or representation made by or with respect to CDS and contained herein or in any Trust Indenture with respect to the rules and regulations of CDS or at the directions of the CDS Participants.

EARNINGS COVERAGE RATIOS

Earnings coverage ratios will be provided as required in the Prospectus Supplement with respect to the issuance of Securities pursuant to this Prospectus.

PLAN OF DISTRIBUTION

IGM may sell the Securities (i) through underwriters or dealers, (ii) directly to one or more purchasers pursuant to applicable statutory exemptions or (iii) through agents. The Securities may be sold at fixed prices or non-fixed prices, such as prices determined by reference to the prevailing price of the Securities in a specified market, at market prices prevailing at the time of sale or at prices to be negotiated with purchasers, which prices may vary as between purchasers and during the period of distribution of the Securities. The Prospectus Supplement for any of the Securities being offered thereby will set forth the terms of the offering of such Securities, including the type of security being offered, the name or names of any underwriters, dealers or agents, the purchase price of such Securities, the proceeds to IGM from such sale, any underwriting discounts and other items constituting underwriters' compensation, any public offering price and any discounts or concessions allowed or re-allowed or paid to dealers. Only underwriters so named in the Prospectus Supplement are deemed to be underwriters in connection with the Securities offered thereby.

If underwriters are used in the sale, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale, at market prices prevailing at the time of sale or at prices related to such prevailing market prices. The obligations of the underwriters to purchase such Securities will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all the Securities offered by the Prospectus Supplement if any of such Securities are purchased. Any public offering price and any discounts or concessions allowed or re-allowed or paid to underwriters, dealers or agents may be changed from time to time.

The Securities may also be sold directly by IGM at such prices and upon such terms as agreed to by IGM and the purchaser or through agents designated by IGM from time to time. Any agent involved in the offering and sale of the Securities in respect of which this Prospectus is delivered will be named, and any commissions payable by IGM to such agent will be set forth, in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any agent is acting on a best efforts basis for the period of its appointment.

IGM may agree to pay the underwriters a commission for various services relating to the issue and sale of any Securities offered hereby. Any such commission will be paid out of the general corporate funds of IGM. Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with IGM to indemnification by IGM against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof.

In connection with any offering of the Securities (unless otherwise specified in a Prospectus Supplement), the underwriters or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a higher level than that which might exist in the open market. These transactions may be commenced, interrupted or discontinued at any time.

Unless otherwise specified in a Prospectus Supplement, the Securities will not be registered under the United States Securities Act of 1933, as amended.

RISK FACTORS

Before deciding whether to invest in any Securities, investors should consider carefully the risks set out in the documents incorporated by reference in this Prospectus including the disclosure under the heading "Other Risk Factors" on page 44 of IGM's 2007 Annual Report and under "Financial Instruments", "Market Risk Related To Assets Under Management" and "Other Risk Factors" on pages 20 to 23 of IGM's Third Quarter 2008 MD&A (which disclosure includes discussion concerning contingencies, market risk (including those with respect to assets under management), distribution risk, risks regarding financial instruments, liquidity risk, credit risk and the regulatory environment), and all subsequently filed documents incorporated by reference. Additional risk factors relating to a specific offering of Securities will be described in the applicable Prospectus Supplement.

USE OF PROCEEDS

The use of proceeds of the sale of each series of Securities will be described in the Prospectus Supplement relating to the specific issuance of Securities.

LEGAL MATTERS

Certain legal matters in connection with the Securities offered hereby will be passed upon by Blake, Cassels & Graydon LLP on behalf of the Corporation. As of the date hereof, the partners and associates of Blake, Cassels & Graydon LLP, as a group beneficially own, directly or indirectly, less than 1% of the outstanding Securities of IGM or any associated party or affiliate of IGM.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of IGM are Deloitte & Touche LLP, chartered accountants, located in Winnipeg, Manitoba and are independent within the meaning of the Code of Professional Conduct of the Institute of Chartered Accountants of Manitoba.

Computershare Trust Company of Canada acts as the transfer agent and registrar of the Common Shares, and has offices in Calgary (Alberta), Halifax (Nova Scotia), Montreal (Québec), Toronto (Ontario), Vancouver (British Columbia) and Winnipeg (Manitoba).

IGM acts as transfer agent and registrar for the Preferred Shares and its head office is located in Winnipeg, Manitoba.

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

AUDITORS' CONSENT

We have read the Short Form Base Shelf Prospectus of IGM Financial Inc. ("IGM") dated November 18, 2008 relating to the offering of up to \$1,500,000,000 Debt Securities (unsecured), First Preferred Shares and Common Shares (the "**Prospectus**"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned Prospectus of our report to the shareholders of IGM on the consolidated balance sheets of IGM as at December 31, 2007 and 2006, and the consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the years then ended. Our report is dated February 13, 2008.

Winnipeg, Canada
November 18, 2008

(Signed) DELOITTE & TOUCHE LLP
Chartered Accountants

CERTIFICATE OF IGM FINANCIAL INC.

Dated: November 18, 2008

This short form shelf prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces and territories of Canada.

(Signed) Murray J. Taylor
Co-President and Chief Executive
Officer

(Signed) Charles R. Sims
Co-President and Chief Executive
Officer

(Signed) Gregory D. Tretiak
Executive Vice-President and
Chief Financial Officer

On Behalf of the Board of Directors

(Signed) John McCallum
Director

(Signed) Daniel Johnson
Director

IGM
Financial