



## IGM FINANCIAL Q2, 2013 Results

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August 1, 2013

STRENGTH | FOCUS | GROWTH

# IGM Financial – Conference Call Participants

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**Murray J. Taylor**

President & CEO,  
Investors Group

Co - President & CEO,  
IGM Financial

**Jeffrey R. Carney**

President & CEO,  
Mackenzie

Co - President & CEO,  
IGM Financial

**Kevin E. Regan**

Executive Vice-President  
& CFO,  
IGM Financial

# Caution Concerning Forward Looking Statements

Certain statements in this report other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect IGM Financial's current expectations. Forward-looking statements are provided to assist the reader in understanding the Company's financial position and results of operations as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future. Readers are cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Company, as well as the outlook for North American and international economies, for the current fiscal year and subsequent periods. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "seeks", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could".

This information is based upon certain material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking statements, including the perception of historical trends, current conditions and expected future developments, as well as other factors that are believed to be appropriate in the circumstances. While the Company considers these assumptions to be reasonable based on information currently available to management, they may prove to be incorrect.

By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved.

A variety of material factors, many of which are beyond the Company's, and its subsidiaries' control, affect the operations, performance and results of the Company, and its subsidiaries, and their businesses, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, management of market liquidity and funding risks, changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates), the effect of applying future accounting changes, operational and reputational risks, business competition, technological change, changes in government regulations and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, the Company's ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, and the Company's and its subsidiaries' success in anticipating and managing the foregoing factors.

The reader is cautioned that the foregoing list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not place undue reliance on forward-looking statements.

Other than as specifically required by applicable Canadian law, the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Additional information about the risks and uncertainties of the Company's business and material factors or assumptions on which information contained in forward-looking statements is based is provided in its disclosure materials filed with the securities regulatory authorities in Canada, available at [www.sedar.com](http://www.sedar.com).

# Non-IFRS Financial Measures and Additional IFRS Measures

- Net earnings available to common shareholders, which is an additional measure in accordance with IFRS, may be subdivided into two components consisting of:
  - Operating earnings available to common shareholders; and
  - Other items, which include the after-tax impact of any item that management considers to be of a non-recurring nature or that could make the period-over-period comparison of results from operations less meaningful.
- This report may also contain non-IFRS financial measures. Non-IFRS financial measures are used to provide management and investors with additional measures of performance. However, we caution that non-IFRS financial measures do not have standard meanings prescribed by IFRS and are not directly comparable to similar measures used by other companies. Specific instances of such measures that may be referred to within this document include “Operating Earnings”, “Operating Earnings per Share” and “Earnings before Interest and Taxes” (EBIT).
- We refer you to the appropriate reconciliation in the Management’s Discussion and Analysis of these non-IFRS financial measures to measures prescribed by IFRS.
- “Operating Earnings” and “Operating Earnings Per Share” for the three months ended June 30, 2012 exclude a non-cash income tax charge of \$6.4 million resulting from increases in Ontario corporate income tax rates and their effect on the deferred income tax liability related to indefinite life intangible assets arising from prior business acquisitions. There is no expectation that the deferred tax liability will become payable as the Company has no intention of disposing of these assets.
- On January 1, 2013, the Company adopted the revisions to IAS 19 that amend the measurement, presentation and disclosure requirements for defined benefit plans.
  - The standard has been applied retroactively and the comparative periods have been restated. On a restated basis, 2012 Net Earnings were \$3.0 million (pre-tax \$4.1 million) lower, Q2, 2012 Net Earnings were \$0.7 million (pre-tax \$1.0 million) lower and Net Earnings for the six months ended June 30, 2012 were \$1.5 million (pre-tax \$2.0 million).
  - The key impacts upon the Statement of Earnings include eliminating the concept of an expected return on assets and replacing this with the discount rate.

# Documents Incorporated by Reference

This summary document and webcast are meant to discuss, not to serve as a substitute for, information included in these documents. The reader is hereby cautioned to refer to the following documents relating to IGM Financial's results:

1. Documents related to IGM Financial's Q2, 2013 results issued August 1, 2013:
  - IGM Financial Q2, 2013 financial results press release. This press release includes financial highlights as well as a summary earnings statement.
  - IGM Financial Q2, 2013 Consolidated Financial Statements and Notes.
  - IGM Financial Q2, 2013 Management's Discussion and Analysis ("MD&A").
  - IGM Financial Q2, 2013 Supplemental Information.
2. IGM Financial 2012 Annual Report which was issued on March 21, 2013.

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

## **1. Highlights**

2. Investors Group

3. Mackenzie Investments

# IGM Financial Highlights – Earnings

- ◆ *IGM Financial's Operating Earnings Per Share were 76 cents during Q2, 2013, an increase of 10.1% relative to Q2, 2012.*

|   | Q2,<br>2012 | Q1,<br>2013 | Q2,<br>2013 | Change          |              |
|---|-------------|-------------|-------------|-----------------|--------------|
|   |             |             |             | Last<br>Quarter | Last<br>Year |
| Operating Earnings (millions) <sup>1</sup>          | \$ 178.1    | \$ 180.5    | \$ 190.9    | 5.7%            | 7.2%         |
| Net Earnings (millions)                             | 171.7       | 180.5       | 190.9       | 5.7%            | 11.2%        |
| Operating Earnings per share (diluted) <sup>1</sup> | 0.69        | 0.72        | 0.76        | 5.6%            | 10.1%        |
| Net Earnings per share (diluted)                    | 0.67        | 0.72        | 0.76        | 5.6%            | 13.4%        |
| Dividends per share                                 | 0.5375      | 0.5375      | 0.5375      | 0.0%            | 0.0%         |

1. Please refer to slide 4 for a discussion of adjustments.

# IGM Financial Highlights – Gross Sales

- IGM Financial had gross sales of \$4.7 billion during Q2, 2013 and \$9.7 billion year to date.

## IGM Financial Investment Product Gross Sales (\$ Millions)

|                         | Three Months Ended June 30, 2013 |              |            |                            | Six Months Ended June 30, 2013 |              |            |                            |
|-------------------------|----------------------------------|--------------|------------|----------------------------|--------------------------------|--------------|------------|----------------------------|
|                         | Investors Group                  | Mackenzie    | Counsel    | IGM Financial <sup>1</sup> | Investors Group                | Mackenzie    | Counsel    | IGM Financial <sup>1</sup> |
| Long term mutual funds  | 1,324                            | 1,372        | 102        | <b>2,792</b>               | 3,183                          | 3,169        | 221        | <b>6,559</b>               |
| Short term mutual funds | 171                              | 80           | 11         | <b>262</b>                 | 346                            | 210          | 23         | <b>579</b>                 |
| Total mutual funds      | 1,495                            | 1,452        | 113        | <b>3,054</b>               | 3,529                          | 3,379        | 244        | <b>7,138</b>               |
| Institutional           |                                  | 1,965        |            | <b>1,616</b>               |                                | 3,316        |            | <b>2,583</b>               |
| Total                   | <u>1,495</u>                     | <u>3,417</u> | <u>113</u> | <b><u>4,670</u></b>        | <u>3,529</u>                   | <u>6,695</u> | <u>244</u> | <b><u>9,721</u></b>        |

- Total gross sales exclude sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel. These mandates had gross sales of \$355 million during Q2, 2013 and \$747 million year to date.



# IGM Financial Highlights – Net Sales

- ◆ *IGM Financial had net redemptions of \$416 million during Q2, 2013 and net sales of \$139 million year to date.*

## IGM Financial Investment Product Net Sales (\$ Millions)

|                         | Three Months Ended June 30, 2013 |              |            |                            | Six Months Ended June 30, 2013 |           |           |                            |
|-------------------------|----------------------------------|--------------|------------|----------------------------|--------------------------------|-----------|-----------|----------------------------|
|                         | Investors Group                  | Mackenzie    | Counsel    | IGM Financial <sup>1</sup> | Investors Group                | Mackenzie | Counsel   | IGM Financial <sup>1</sup> |
| Long term mutual funds  | (172)                            | (343)        | (8)        | <b>(527)</b>               | 182                            | (247)     | (1)       | <b>(78)</b>                |
| Short term mutual funds | 5                                | (19)         | 7          | <b>(7)</b>                 | 27                             | (16)      | 11        | <b>22</b>                  |
| Total mutual funds      | (167)                            | (362)        | (1)        | <b>(534)</b>               | 209                            | (263)     | 10        | <b>(56)</b>                |
| Institutional           |                                  | 191          |            | <b>118</b>                 |                                | 346       |           | <b>195</b>                 |
| Total                   | <u>(167)</u>                     | <u>(171)</u> | <u>(1)</u> | <u><b>(416)</b></u>        | <u>209</u>                     | <u>83</u> | <u>10</u> | <u><b>139</b></u>          |

1. Total net sales exclude sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel. These mandates had net sales of \$77 million during Q2, 2013 and \$163 million year to date.

# IGM Financial Highlights – Assets Under Management

- IGM Financial's total assets under management have increased by 5.8% during the last year.

| (\$ Billions) | Quarter         |                 |                 |                 |                 | Q2, 2013 Change |              |
|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|
|               | Jun 30,<br>2012 | Sep 30,<br>2012 | Dec 31,<br>2012 | Mar 31,<br>2013 | Jun 30,<br>2013 | Last<br>Quarter | Last<br>Year |

## Ending Assets Under Management (as at end of period)

|                        |              |              |              |              |              |               |             |
|------------------------|--------------|--------------|--------------|--------------|--------------|---------------|-------------|
| <b>IGM Financial</b>   | <b>118.0</b> | <b>119.3</b> | <b>120.7</b> | <b>125.8</b> | <b>124.8</b> | <b>(0.8%)</b> | <b>5.8%</b> |
| Investors Group        | 58.1         | 59.6         | 60.6         | 63.0         | 62.5         | (0.9%)        | 7.5%        |
| Mackenzie <sup>1</sup> | 60.7         | 61.0         | 61.5         | 64.3         | 63.9         | (0.5%)        | 5.4%        |
| Counsel                | 2.8          | 2.9          | 2.9          | 3.1          | 3.1          | (0.9%)        | 7.2%        |

## Average Assets Under Management (for the period ended)

|                        |              |              |              |              |              |             |             |
|------------------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|
| <b>IGM Financial</b>   | <b>119.2</b> | <b>118.2</b> | <b>119.3</b> | <b>124.0</b> | <b>125.7</b> | <b>1.4%</b> | <b>5.4%</b> |
| Investors Group        | 58.5         | 58.7         | 59.8         | 62.2         | 62.9         | 1.2%        | 7.6%        |
| Mackenzie <sup>1</sup> | 61.6         | 60.4         | 60.9         | 63.3         | 64.3         | 1.6%        | 4.4%        |
| Counsel                | 2.9          | 2.9          | 2.9          | 3.0          | 3.1          | 2.0%        | 7.7%        |

1. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel. These mandates had assets under management of \$4.6 billion at June 30, 2013.

# Operating Environment – Industry Sales Mix

- *The industry experienced an increase in net sales during Q2, 2013 relative to Q2, 2012, the majority of the increase was through the advice channel.*

## Industry Mutual Fund Net Sales by Primary Distribution Emphasis Three months ended June 30 (\$ Billions)

|                    | Long Term Funds |      |        | Total Funds  |            |        |
|--------------------|-----------------|------|--------|--------------|------------|--------|
|                    | 2012            | 2013 | Change | 2012         | 2013       | Change |
| <b>Gross Sales</b> |                 |      |        |              |            |        |
| Advice             | 10.9            | 16.3 | 50.2%  | 11.6         | 17.3       | 49.8%  |
| Deposit takers     | 18.2            | 24.8 | 35.7%  | 23.3         | 29.7       | 27.4%  |
| Direct & other     | 1.5             | 3.0  | 92.4%  | 1.6          | 3.1        | 88.5%  |
| Total              | 30.7            | 44.1 | 43.7%  | 36.5         | 50.1       | 37.2%  |
| <b>Net Sales</b>   |                 |      |        |              |            |        |
| Advice             | (1.1)           | 2.3  |        | <b>(1.2)</b> | <b>2.5</b> |        |
| Deposit takers     | 5.5             | 6.3  |        | 4.7          | 6.0        |        |
| Direct & other     | 0.4             | 1.1  |        | 0.4          | 1.1        |        |
| Total              | 4.8             | 9.7  |        | <b>3.9</b>   | <b>9.6</b> |        |

Source: Investor Economics data and excludes exchange traded funds.

“Advice” reflects the aggregation of “Independents” and “Life Insurers” as presented by Investor Economics.

“Direct & other” reflects “Others” as presented by Investor Economics and includes direct sellers, unions & associations and others.

“Net Sales” reflects gross sales less redemptions and is presented by Investor Economics as “Net New Money”.

# Operating Environment – Industry Sales Mix

- *The industry has experienced a significant improvement in equity fund net sales year to date.*

## Industry Mutual Fund Net Sales (\$ Billions)

|                 | Q2, 2011 | Q3, 2011 | Q4, 2011 | Q1, 2012 | Q2, 2012 | Q3, 2012 | Q4, 2012 | Q1, 2013     | Q2, 2013     |
|-----------------|----------|----------|----------|----------|----------|----------|----------|--------------|--------------|
| Income-oriented | 3.3      | 0.5      | 4.6      | 12.5     | 4.2      | 5.1      | 6.9      | 12.6         | 5.9          |
| Balanced        | 2.9      | (0.1)    | 0.0      | 2.4      | 0.3      | 1.4      | 1.1      | 3.4          | 1.6          |
| Canadian equity | (0.6)    | (0.8)    | (1.4)    | (2.0)    | (1.1)    | (1.9)    | (1.1)    | <b>(0.8)</b> | <b>(0.9)</b> |
| Foreign equity  | (0.1)    | 0.2      | (1.6)    | (0.3)    | 1.1      | (0.4)    | (0.7)    | <b>2.9</b>   | <b>2.5</b>   |
| Sector / other  | 0.3      | 0.0      | 0.1      | 0.3      | 0.2      | 0.4      | 0.2      | 0.6          | 0.6          |
| Long term       | 5.8      | (0.1)    | 1.7      | 12.9     | 4.8      | 4.6      | 6.4      | 18.8         | 9.7          |
| Money market    | (1.0)    | (1.1)    | (1.2)    | (1.4)    | (0.9)    | (1.0)    | (1.0)    | (0.7)        | (0.1)        |
| Total           | 4.8      | (1.2)    | 0.5      | 11.5     | 3.9      | 3.5      | 5.4      | 18.0         | 9.6          |

Source: Investor Economics data and excludes exchange traded funds.

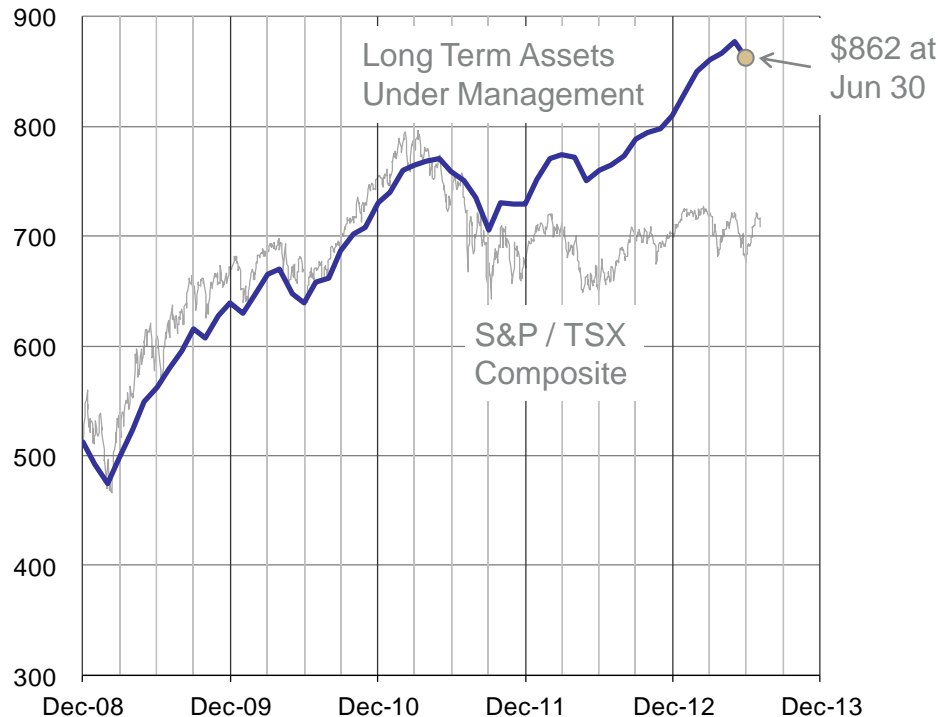
“Net Sales” reflects gross sales less redemptions and is presented by Investor Economics as “Net New Money”.

*Operating Environment*

# Operating Environment – Financial Markets

- During Q2, 2013, industry long term mutual fund assets increased by 0.2%.

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



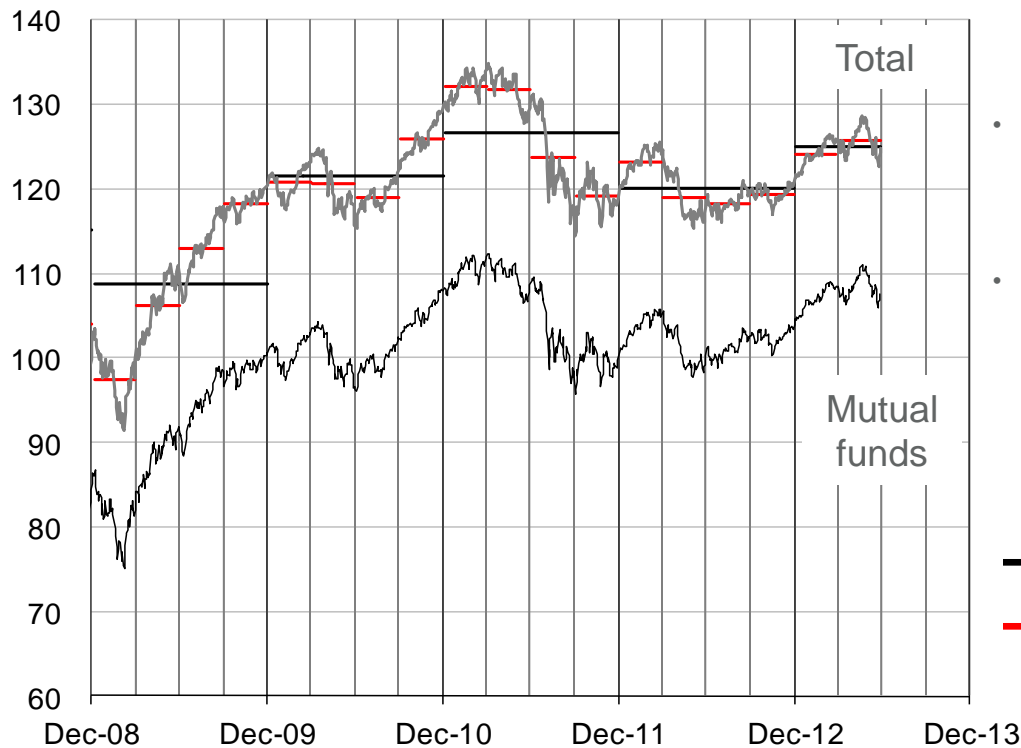
|                              | Q2, 2013 | Q3, 2013 at July 31 |
|------------------------------|----------|---------------------|
| Mutual Fund Long Term Assets | 0.2%     |                     |
| S&P / TSX Composite          | (4.9%)   | 2.9%                |
| S&P 500                      | 2.4%     | 4.9%                |
| Dow Jones Industrial         | 2.3%     | 4.0%                |
| Nasdaq Composite             | 4.2%     | 6.6%                |
| FTSE 100                     | (3.1%)   | 6.5%                |
| DAX                          | 2.1%     | 4.0%                |
| Nikkei 225                   | 10.3%    | (0.1%)              |
| US dollar relative to CAD    | 3.4%     | (2.3%)              |
| Euro relative to CAD         | 4.9%     | (0.2%)              |

Mutual fund industry reflects Investor Economics data and excludes exchange traded funds.  
All index returns are local market returns.

# IGM Financial Highlights – Assets Under Management

- ♦ *Average mutual fund assets under management increased by 7.4% during Q2, 2013 relative to Q2, 2012 and increased by 1.4% relative to Q1, 2013.*

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



**Average Assets Under Management (\$ Billions)**

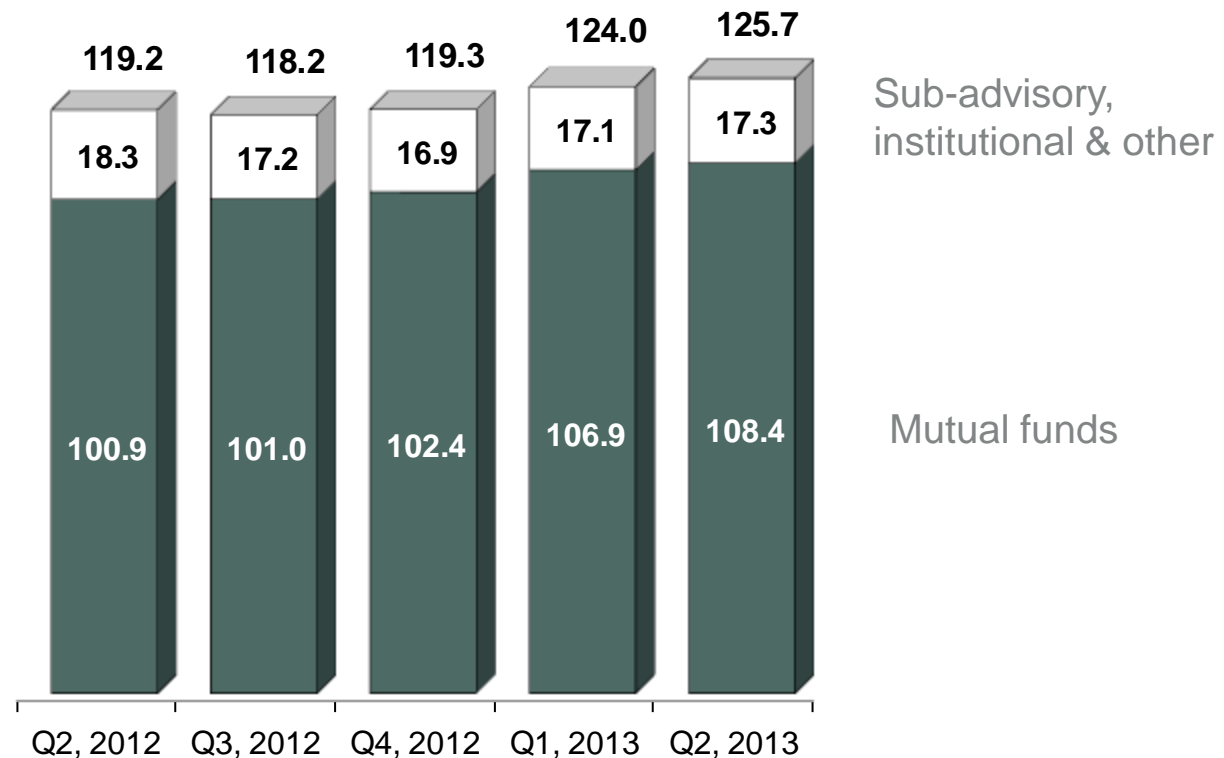
|                          | Total | Mutual funds |
|--------------------------|-------|--------------|
| • \$124.8 at Jun 30      |       |              |
| Q2, 2013                 | 125.7 | 108.4        |
| Q2, 2013 versus Q1, 2013 | 1.4%  | 1.4%         |
| • \$107.6 at Jun 30      |       |              |
| Q2, 2013 versus Q2, 2012 | 5.4%  | 7.4%         |
| Q1, 2013                 | 124.0 | 106.9        |
| Q2, 2012                 | 119.2 | 100.9        |

Annual Average  
 Quarterly Average

# IGM Financial Highlights – Assets Under Management

- ♦ *Average total assets under management increased by 5.4% during Q2, 2013 relative to Q2, 2012 and increased by 1.4% relative to Q1, 2013.*

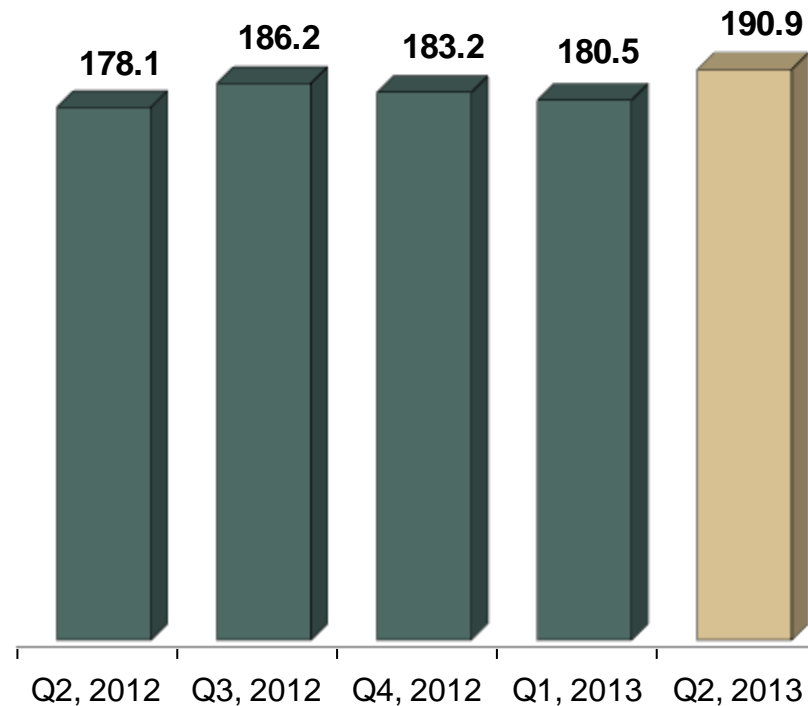
Average Assets Under Management  
(\$ Billions)



# IGM Financial Highlights – Operating Earnings

- ◆ *IGM Financial's Operating Earnings increased by 7.2% to \$190.9 million during Q2, 2013 relative to Q2, 2012 and increased by 5.7% relative to Q1, 2013.*

Operating Earnings <sup>1</sup>  
(\$ Millions)



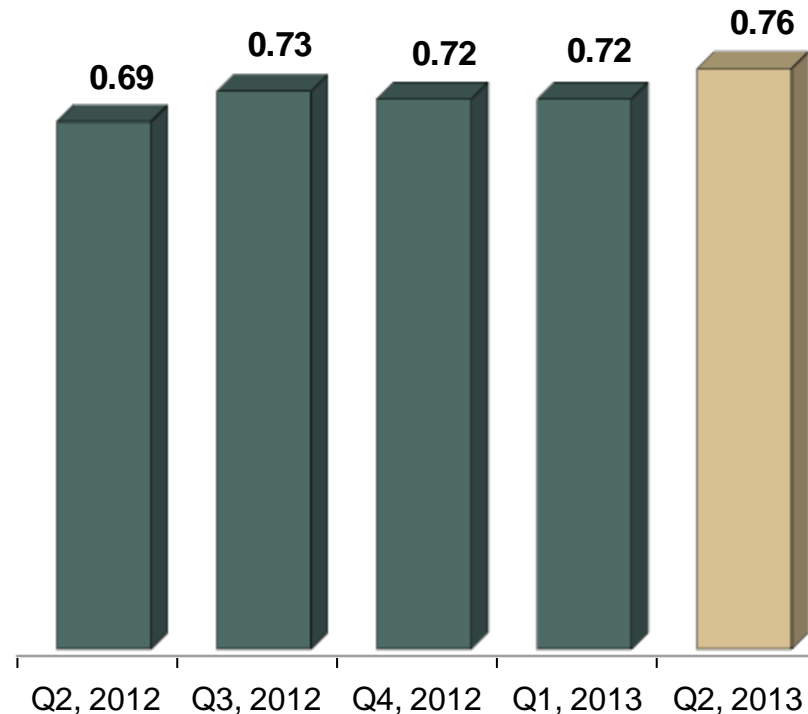
1. Please refer to slide 4 for a discussion of adjustments.



# IGM Financial Highlights – Operating Earnings Per Share

- ◆ *IGM Financial's Operating Earnings Per Share increased by 10.1% during Q2, 2013 relative to Q2, 2012 and 5.6% relative to Q1, 2013.*

Operating Earnings per Share <sup>1</sup>  
(\$ Diluted)



1. Please refer to slide 4 for a discussion of adjustments.

1. Highlights

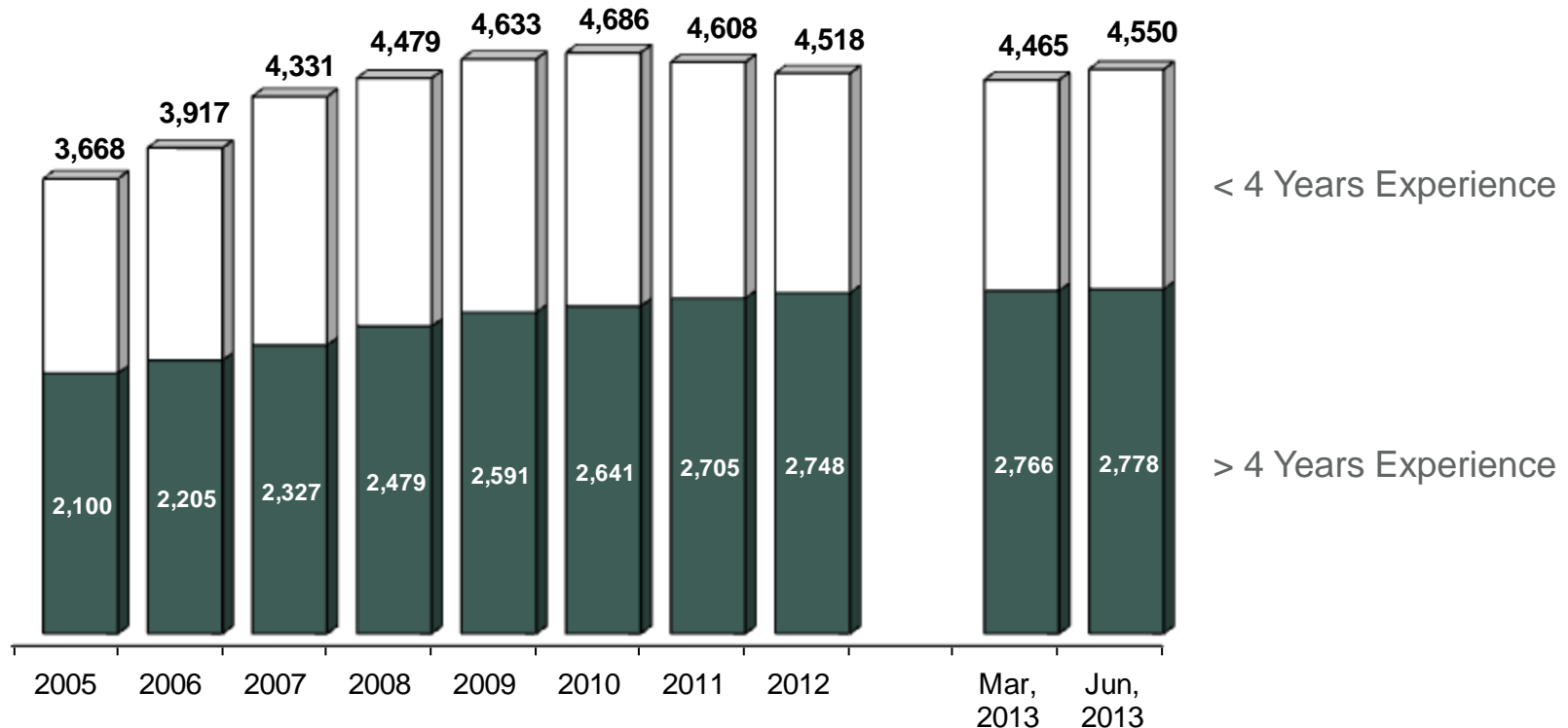
**2. Investors Group**

3. Mackenzie Investments

# Investors Group Consultant Network

- The number of Investors Group Consultants increased by 85 during the second quarter and is up by 32 during the year.*

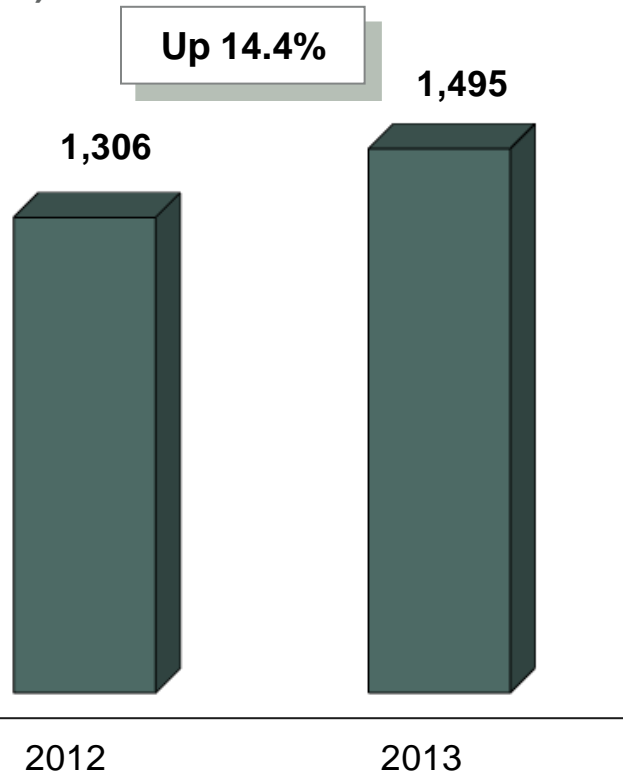
Number of Investors Group Consultants  
As at December 31 (unless otherwise indicated)



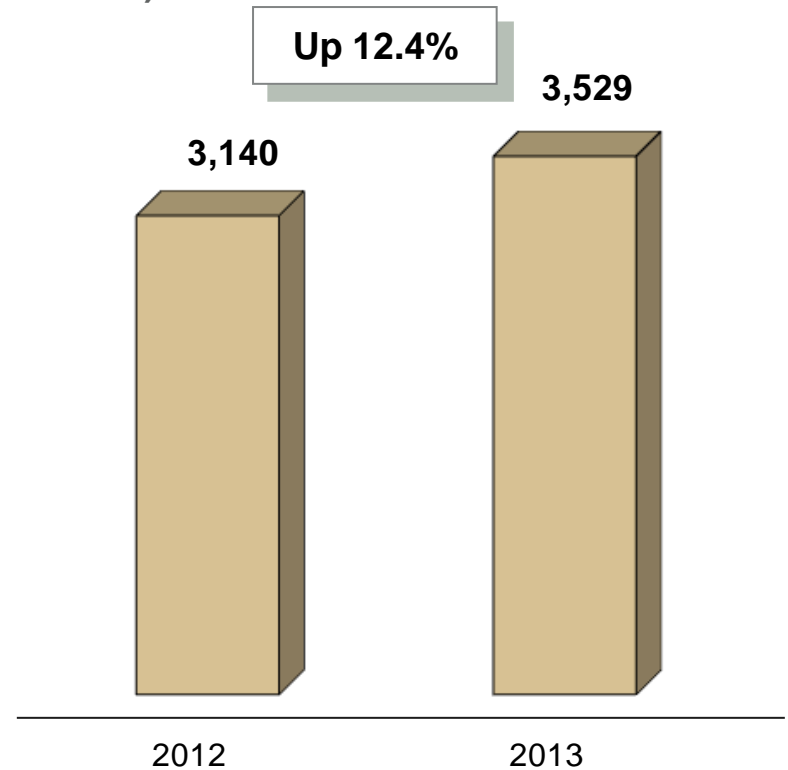
# Investors Group Mutual Fund Gross Sales

- Investors Group had gross sales of \$1.5 billion during Q2, 2013, up 14.4% relative to Q2, 2012. Gross sales have improved by 12.4% year to date.

Three months ended June 30  
(\$ Millions)



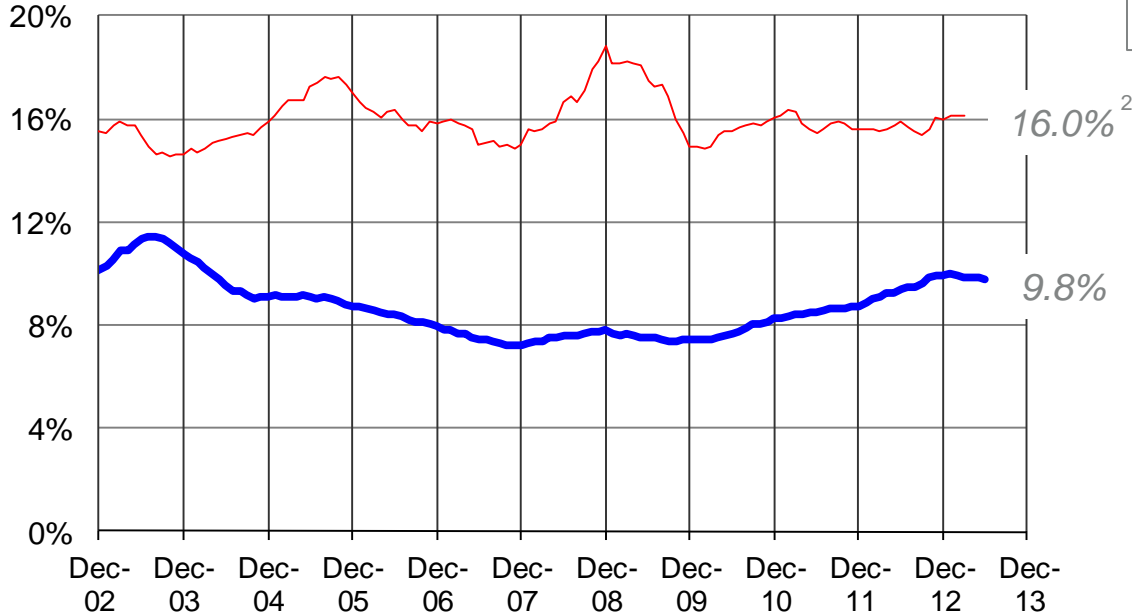
Six months ended June 30  
(\$ Millions)



# Investors Group Mutual Fund Redemption Rate

- Investors Group's twelve month trailing redemption rate on long term mutual funds was 9.8% at June 30, 2013, well below the industry average.

**Redemption Rate on Long Term Mutual Funds <sup>1</sup>**  
**(Last Twelve Month Trailing % of Average Assets Under Management)**



- Excluding redemption activity in Cornerstone Funds (money market substitutes) and transfers to Guaranteed Investment Funds (GIFs), the long-term redemption rate at June 30, 2013 would have been 9.4%.

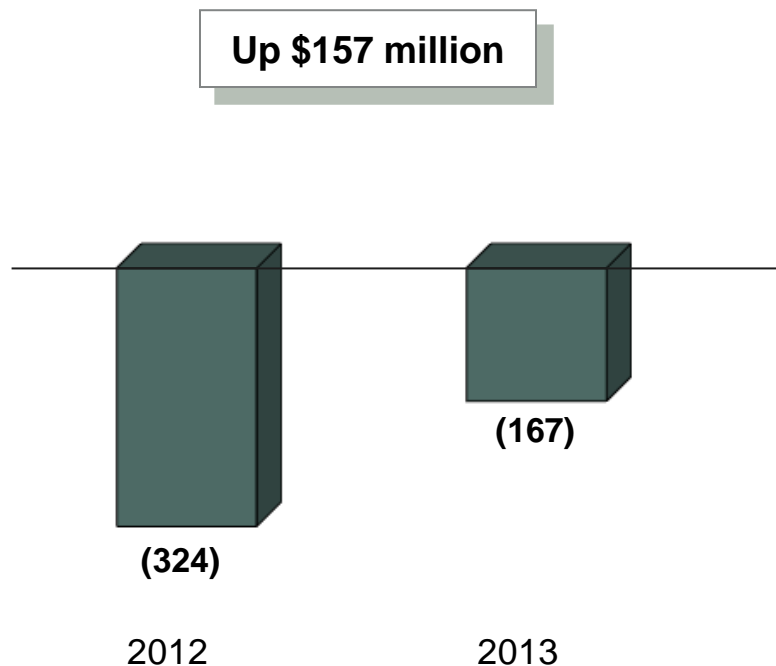
— Industry excluding Investors Group  
 — Investors Group

- All numbers exclude CI Investments and Invesco from the date that they discontinued reporting to IFIC. CI discontinued reporting to IFIC during December, 2008 and Invesco discontinued reporting to IFIC during October, 2010.
- Twelve month trailing redemption rate as of March 31, 2013.

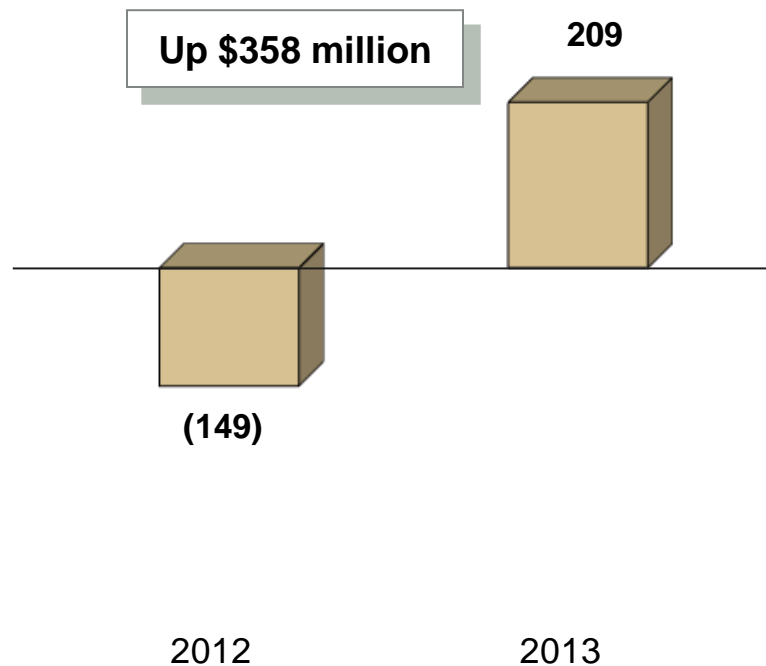
# Investors Group Mutual Fund Net Sales

- Investors Group had improved net sales for both the quarter and year to date periods.

Three months ended June 30  
(\$ Millions)



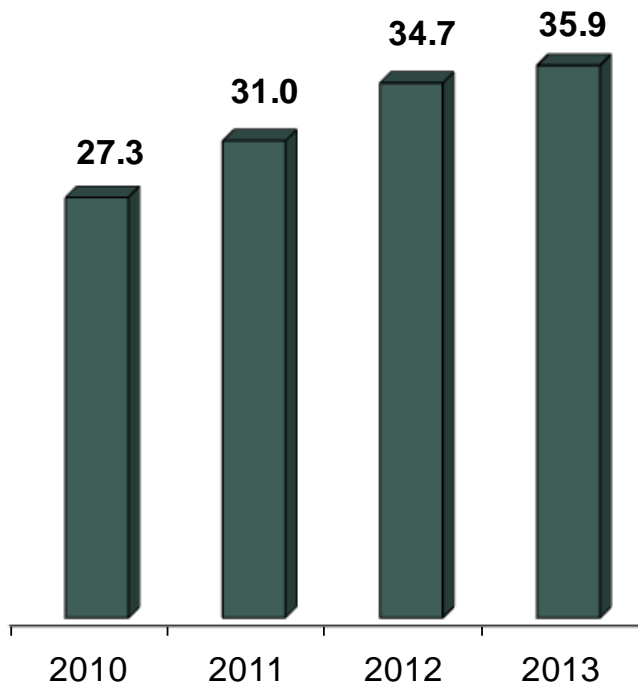
Six months ended June 30  
(\$ Millions)



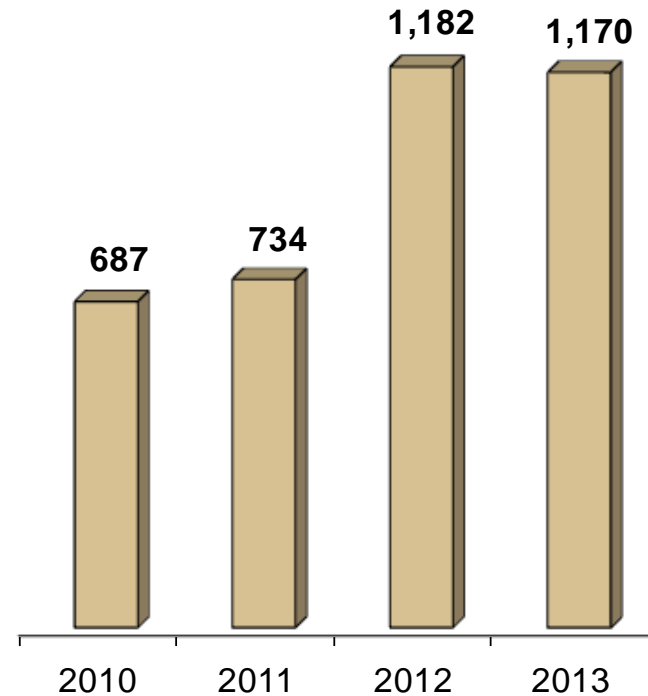
# Insurance and Mortgage Distribution

- ◆ *Investors Group insurance product sales increased by 3.3% year to date and mortgage originations were more than \$1.1 billion.*

New Annualized Insurance Premiums  
Six months ended June 30  
(\$ Millions)



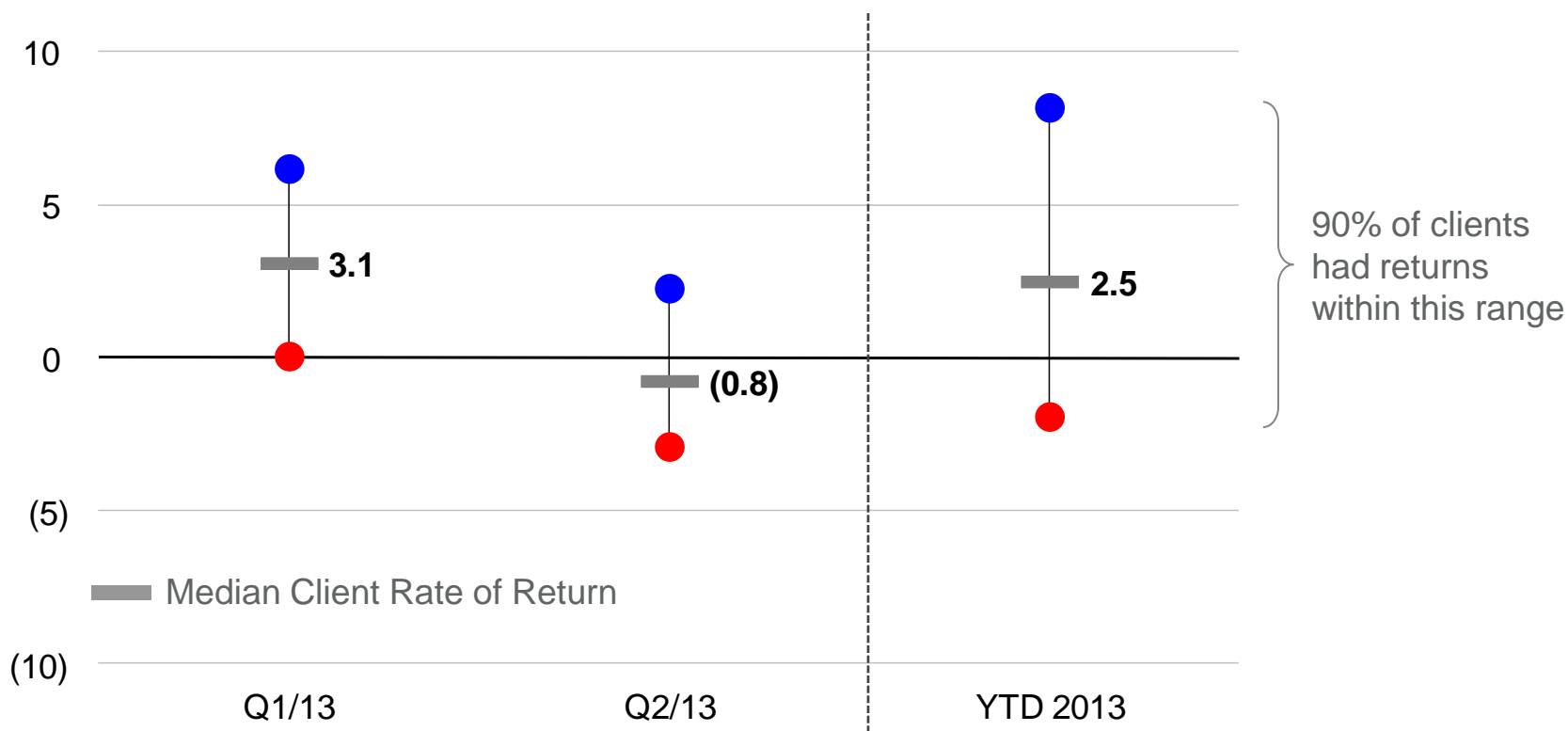
Mortgage Originations  
Six months ended June 30  
(\$ Millions)



# Investors Group Client Experience

- ◆ *The median Investors Group client return was approximately (0.8%) during the second quarter of 2013 and approximately 2.5% year to date.*

Investors Group Client Account Rate of Return Experience (%)

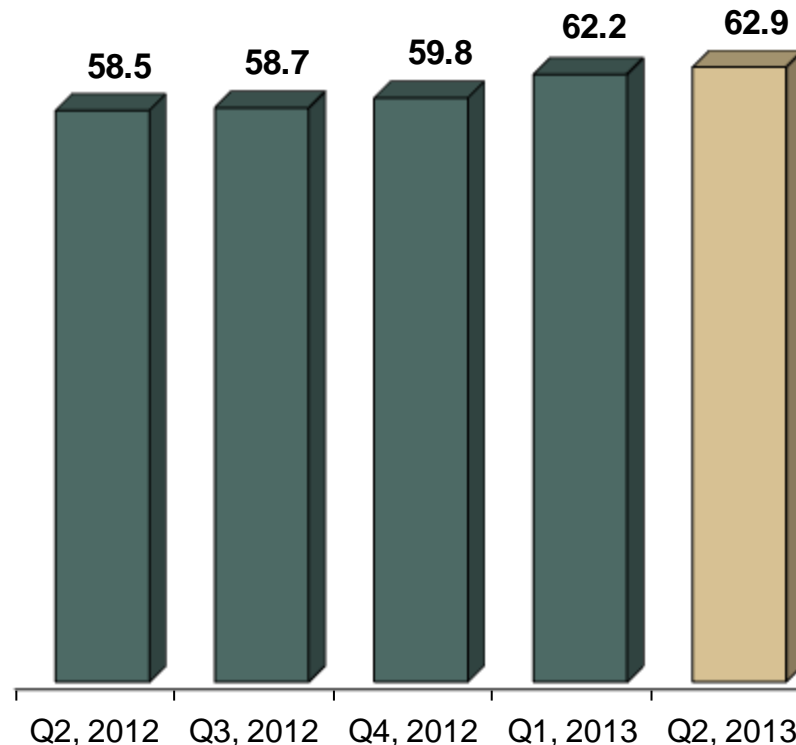




# Investors Group Mutual Fund Assets Under Management

- ♦ *The average balance of mutual fund assets under management increased by 7.6% during Q2, 2013 relative to Q2, 2012. All-time high assets under management reached on May 22, 2013 of \$64.4 billion.*

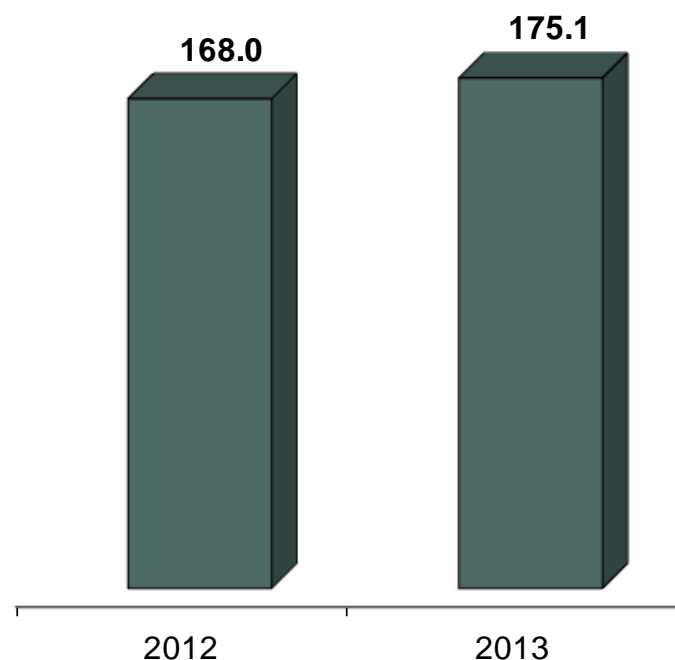
Average Assets Under Management  
(\$ Billions)



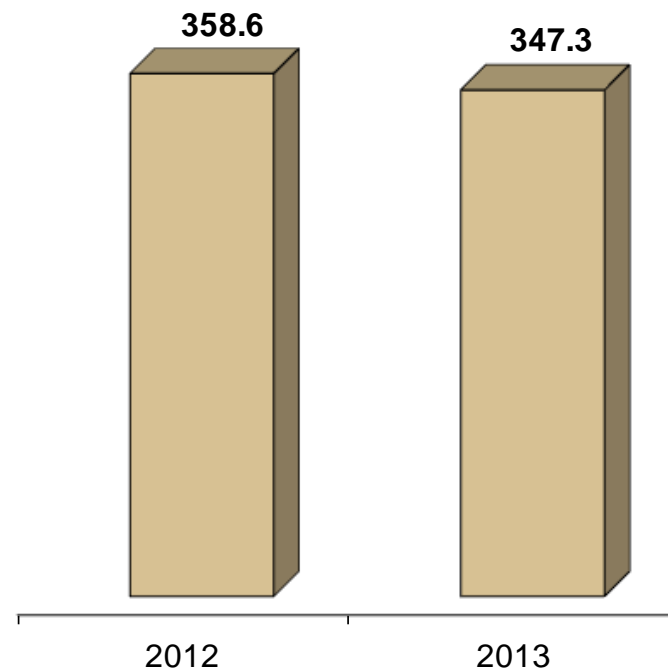
# Investors Group Operating Segment – EBIT

- ◆ *Investors Group's Earnings before Interest & Taxes increased by 4.2% during Q2, 2013 relative to Q2, 2012.*

Earnings before Interest & Taxes  
Three months ended June 30  
(\$ Millions)



Earnings before Interest & Taxes  
Six months ended June 30  
(\$ Millions)



# Investors Group Operating Segment – EBIT

- ◆ *Investors Group's Operating Earnings before Interest & Taxes were \$175.1 million during Q2, 2013, up 4.2% relative to 2012.*

| Three months ended June 30<br>(\$ Millions, unless otherwise indicated) | 2012         | 2013         | Change |
|---|--------------|--------------|--------|
| Average mutual fund assets under management (\$ billions)               | 58.5         | 62.9         | 7.6%   |
| Revenues  |              |              |        |
| Management fees   | 274.8        | 275.4        | 0.2%   |
| Administration fees   | 54.4         | 59.1         | 8.6%   |
|   | 329.2        | 334.5        | 1.6%   |
| Distribution fees   | 48.7         | 47.4         | (2.7%) |
|   | 377.9        | 381.9        | 1.1%   |
| Net investment income and other   | 10.4         | 19.6         | 88.5%  |
| Total   | 388.3        | 401.5        | 3.4%   |
| Expenses  |              |              |        |
| Commission amortization   | 44.7         | 42.4         | (5.2%) |
| Other commission  | 77.4         | 81.1         | 4.7%   |
| Commission  | 122.1        | 123.5        | 1.2%   |
| Non-commission  | 98.2         | 102.9        | 4.8%   |
| Total   | 220.3        | 226.4        | 2.8%   |
| Earnings before Interest and Taxes                                      | <b>168.0</b> | <b>175.1</b> | 4.2%   |

# Investors Group Developments

## 1. Consultant Network

- Strong growth in the Consultant Network, up 85 Consultants from Q1, 2013 and 32 year to date with continual improvement in the number of Consultants with more than four years Investors Group experience.
- Continued expansion of the Consultant Network with one new region office in Winnipeg announced to date during 2013 which will expand our network to 109 region offices across Canada.

## 2. Sales and Asset Growth

- Strong continuing mutual fund gross sales momentum with sales up 14.4% relative to Q2, 2012, the highest level of second quarter gross sales since 2007.
- Annualized in-quarter redemption rate of 9.7%, down from 10.0% during Q1, 2013 and Q2, 2012 and well below the industry average.

## 3. Product Enhancements

- Introduction of additional product solutions for high net worth clients.
  - Series U introduced during July, 2013 which allows high net worth clients to pay for investment advice and administrative services through a fee paid to the dealer outside of the product cost (MER).
- Six fund (and class) mergers completed – Japanese Equity, European Dividend Growth, Summa Global SRI, Mergers & Acquisitions, IG Mackenzie Universal Global Growth, Real Return Bond.

1. Highlights

2. Investors Group

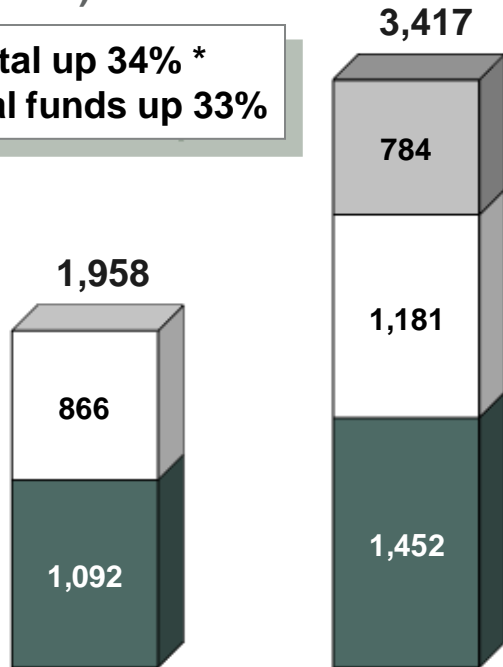
**3. Mackenzie Investments**

# Mackenzie Gross Sales

- *Mackenzie had gross sales of investment products of \$3.4 billion during the second quarter of 2013 and \$6.7 billion year to date.*

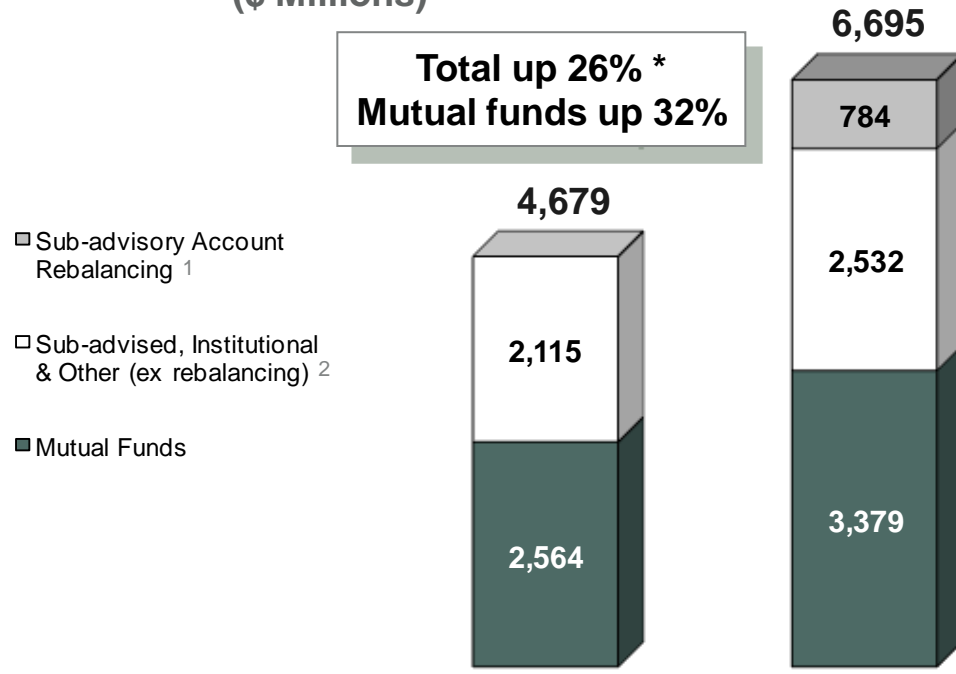
Mackenzie Gross Sales of Investment Products  
Three months ended June 30  
(\$ Millions)

Total up 34% \*  
Mutual funds up 33%



Mackenzie Gross Sales of Investment Products  
Six months ended June 30  
(\$ Millions)

Total up 26% \*  
Mutual funds up 32%



2012

2013

2012

2013

1. Q2, 2013 institutional flows include \$784 million of gross sales, \$601 million of redemptions and \$183 million of net sales related to rebalancing within a sub-advisory platform during the period, rebalancing activity during comparative periods was not meaningful.

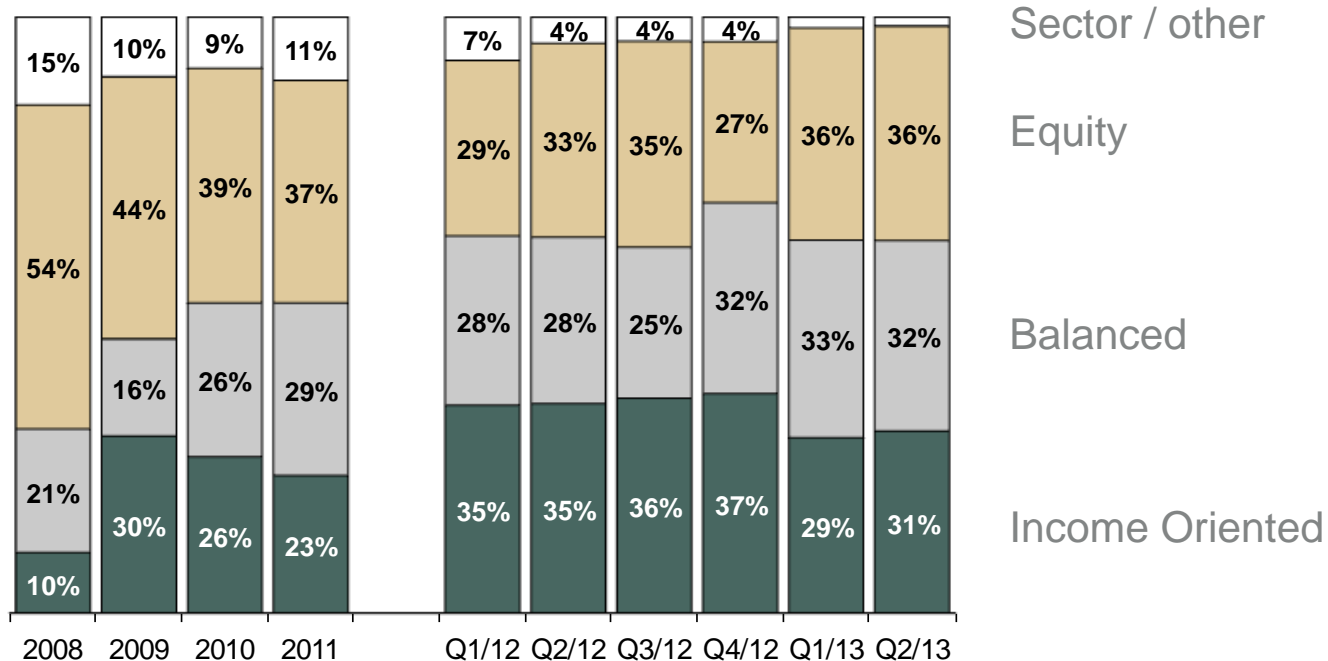
2. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel.

\* Excludes rebalancing

# Mackenzie Mutual Fund Gross Sales

- There was continuing movement away from income-oriented products during the quarter.

Gross Sales Mix of Long Term Mutual Funds by Asset Class <sup>1,2,3</sup>  
 Twelve month periods ended December 31 (unless otherwise indicated)

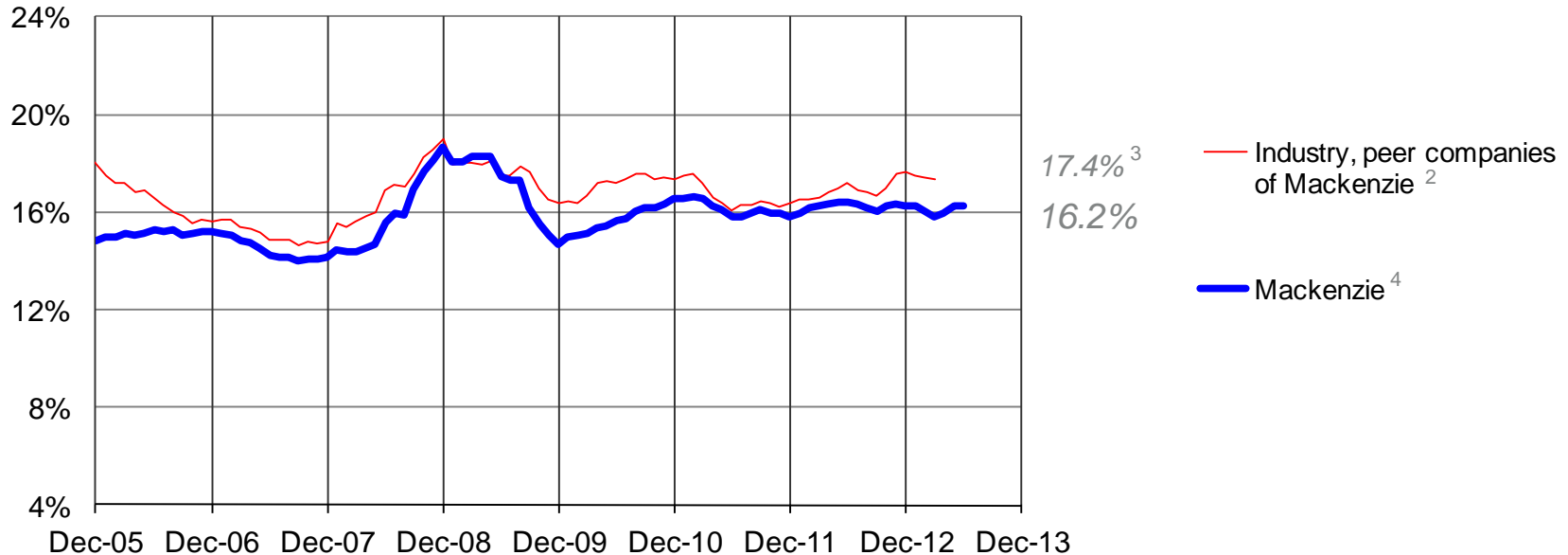


- Q4, 2012 excludes \$556 million in mutual fund gross sales related to institutional rebalancing during the period.
- Prior periods have been adjusted to remove the impact of significant rebalancing activity.
- Excludes Quadrus funds.

# Mackenzie Mutual Fund Redemption Rate

- ◆ *Mackenzie's twelve month trailing redemption rate on long term mutual funds was 16.2% at June 30, 2013.*

## Redemption Rate on Long Term Mutual Funds <sup>1</sup> (Last Twelve Month Trailing % of Average Assets Under Management)



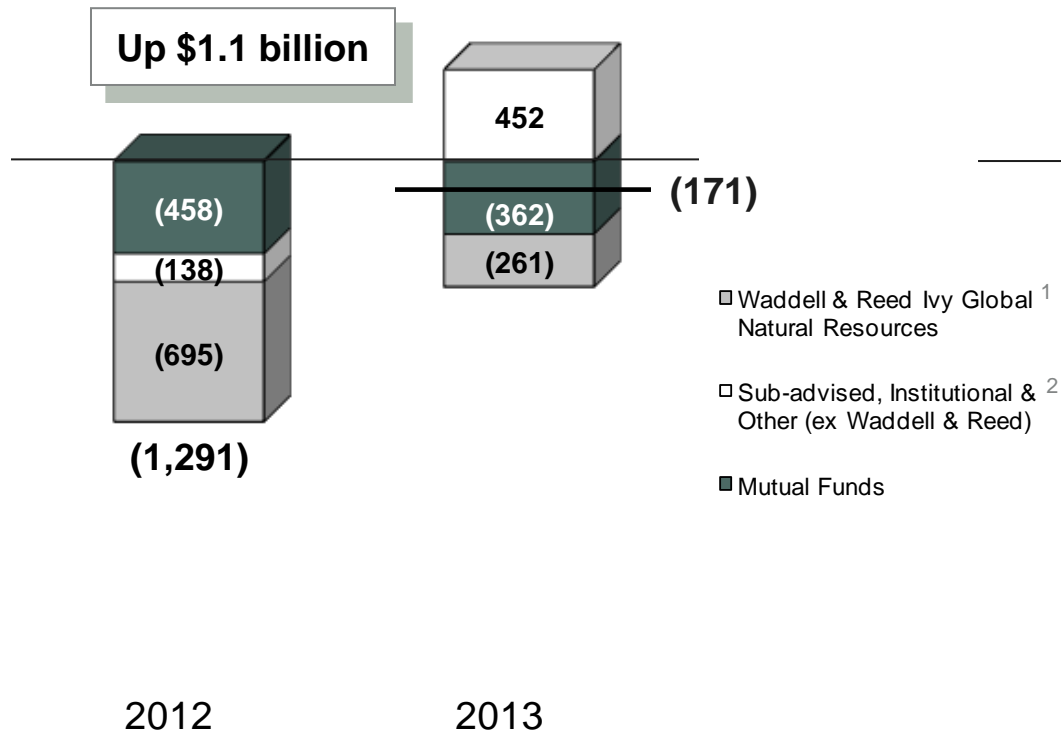
1. All numbers have been restated to exclude CI Investments and Invesco at the time that they discontinued reporting to IFIC. CI discontinued reporting to IFIC during December, 2008 and Invesco discontinued reporting to IFIC October, 2010.
2. Excludes Mackenzie, Investors Group, deposit takers and direct distributors.
3. Twelve month trailing redemption rate as of March 31, 2013.
4. Redemption rate excludes \$620 million of redemptions during Q4, 2012 associated with institutional platform rebalancing. Prior periods have been adjusted to remove the impact of significant rebalancing activity.



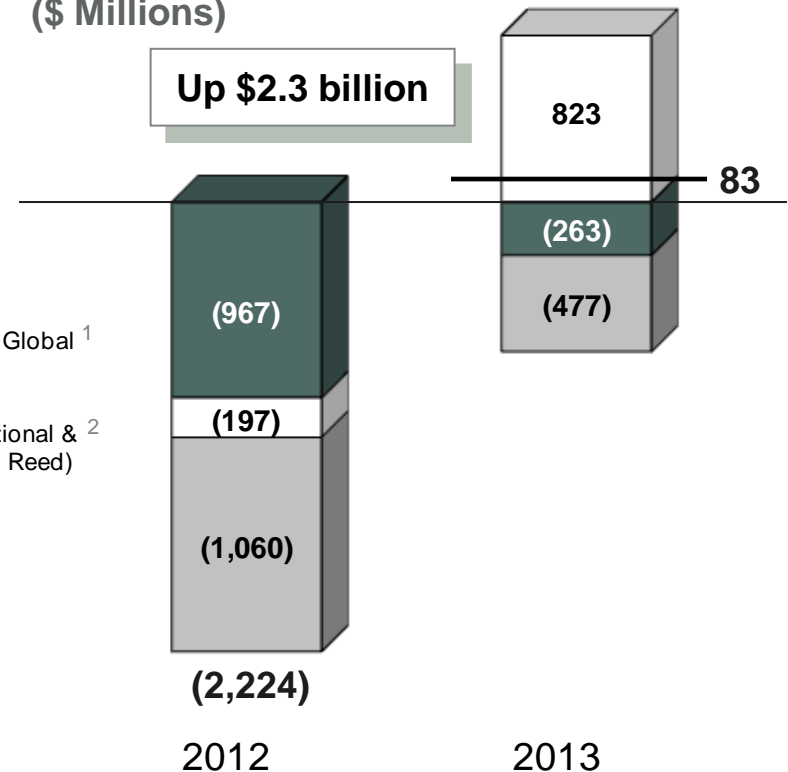
# Mackenzie Net Sales

- *Mackenzie had net redemptions of \$171 million during the second quarter of 2013 and net sales of \$83 million year to date.*

Mackenzie Net Sales of Investment Products  
Three months ended June 30  
(\$ Millions)



Mackenzie Net Sales of Investment Products  
Six months ended June 30  
(\$ Millions)

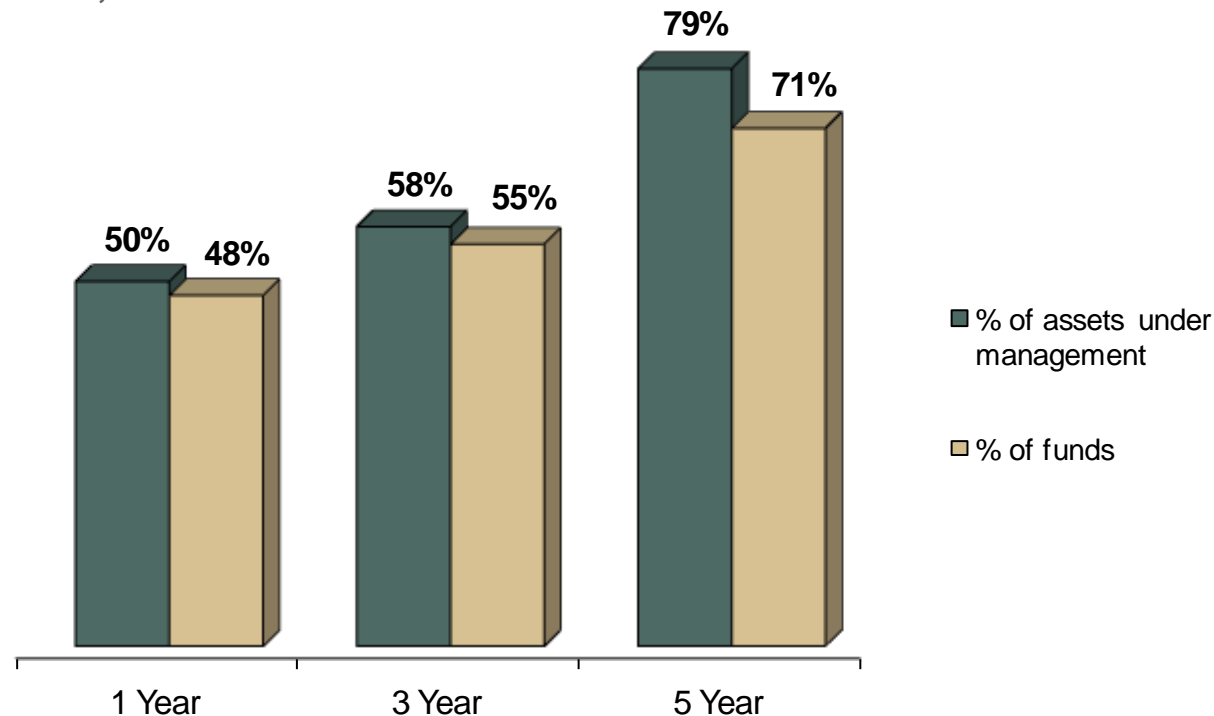


1. Effective July, 2013 Waddell & Reed internalized the Ivy Global Natural Resources mandate that was sub-advised by Mackenzie, this mandate had AUM of \$2.4 billion at June 30, 2013.
2. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel.

# Mackenzie Investment Performance

- ◆ *Mackenzie continues to deliver solid investment performance, with 79% of assets residing within funds which have had first or second quartile performance over the last five years.*

Mackenzie Mutual Funds in First or Second Quartile <sup>1</sup>  
As at June 30, 2013

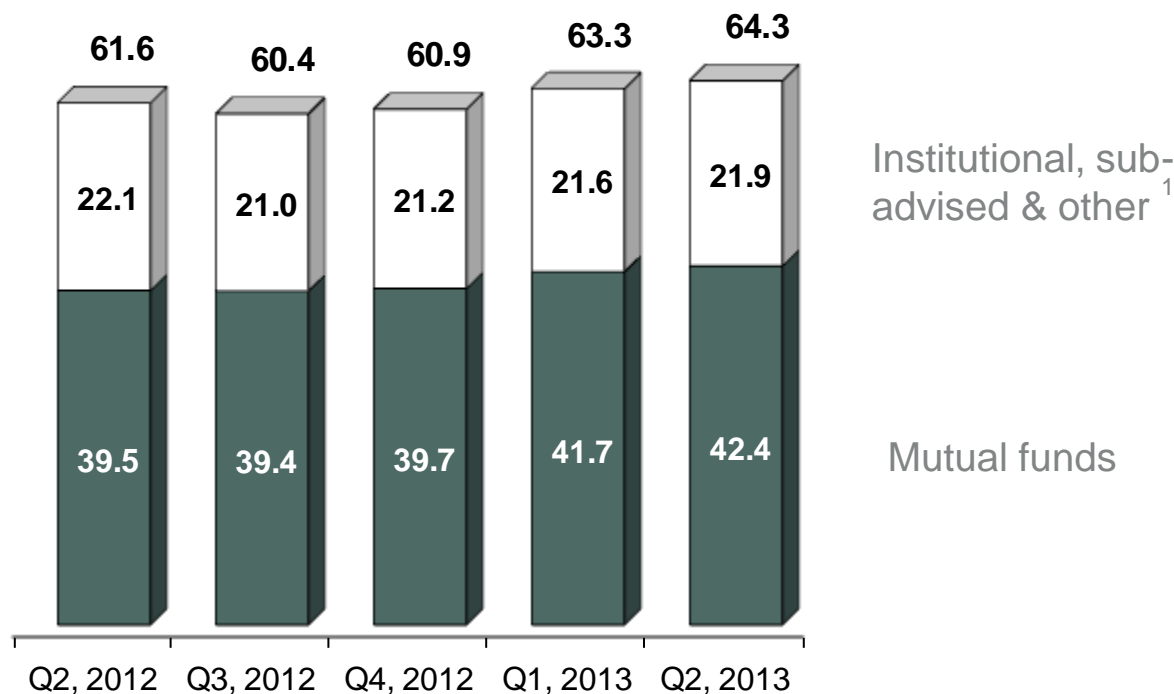


Source: Morningstar  
1. Excludes Quadrus funds.

# Mackenzie Assets Under Management

- ♦ *The average balance of mutual fund under management increased by 7.3% during Q2, 2013 relative to Q2, 2012, and total average assets increased by 4.4%.*

Average Assets Under Management  
(\$ Billions)

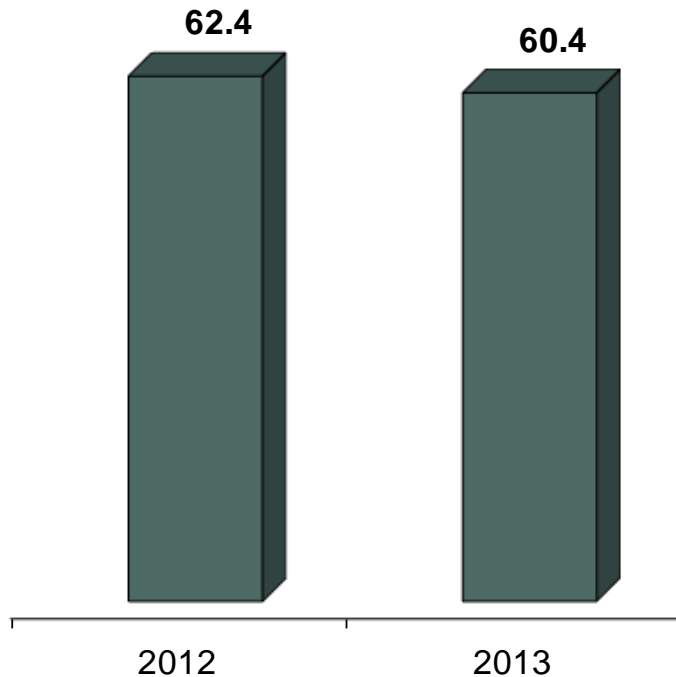


1. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel.

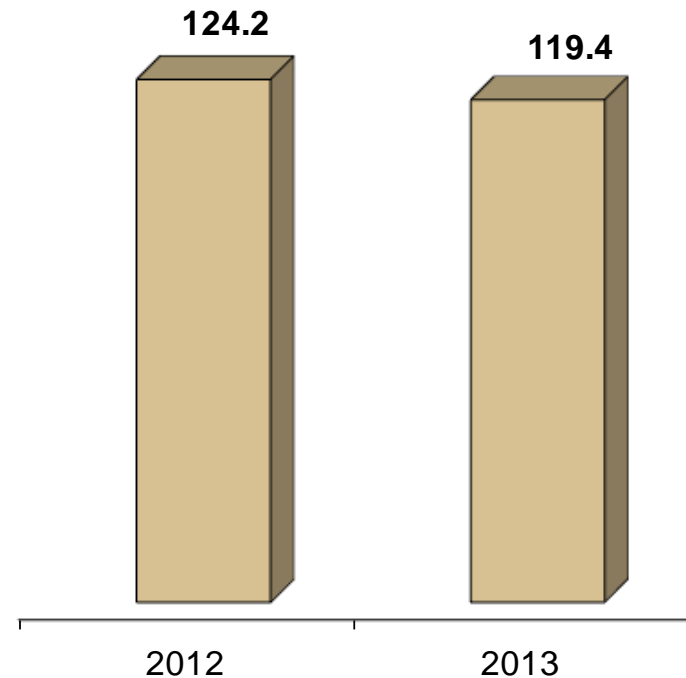
# Mackenzie Operating Segment – EBIT

- ◆ *Mackenzie's Earnings before Interest and Taxes decreased by 3.2% during Q2, 2013 relative to Q2, 2012.*

Earnings before Interest & Taxes  
Three months ended June 30  
(\$ Millions)



Earnings before Interest & Taxes  
Six months ended June 30  
(\$ Millions)



# Mackenzie Operating Segment – EBIT

- ◆ *Mackenzie's Earnings before Interest and Taxes were \$60.4 million during Q2, 2013.*

Three months ended June 30  
(\$ Millions, unless otherwise indicated)

|   | <u>2012</u>        | <u>2013</u>        | <u>Change</u> |
|---|--------------------|--------------------|---------------|
| Average assets under management (\$ billions) |                    |                    |               |
| Total   | 61.6               | 64.3               | 4.4%          |
| Mutual funds                                  | 39.5               | 42.4               | 7.3%          |
| Revenues                                      |                    |                    |               |
| Management fees                               | 157.4              | 164.9              | 4.8%          |
| Administration fees                           | 26.9               | 25.9               | (3.7%)        |
| Distribution fees                             | 4.2                | 3.4                | (19.0%)       |
|   | <u>188.5</u>       | <u>194.2</u>       | 3.0%          |
| Net investment income and other               | 0.2                | 1.0                | n/m           |
| Total   | <u>188.7</u>       | <u>195.2</u>       | 3.4%          |
| Expenses                                      |                    |                    |               |
| Commission amortization                       | 20.3               | 17.5               | (13.8%)       |
| Trailing commission                           | 44.5               | 49.4               | 11.0%         |
| Commission                                    | 64.8               | 66.9               | 3.2%          |
| Non-commission                                | 61.5               | 67.9               | 10.4%         |
| Total   | <u>126.3</u>       | <u>134.8</u>       | 6.7%          |
| Earnings before Interest and Taxes            | <u><u>62.4</u></u> | <u><u>60.4</u></u> | (3.2%)        |

# Mackenzie Developments

## 1. Investment Management

- 43% of mutual fund assets managed by Mackenzie resided in funds with a 4 or 5 star Morningstar rating at June 30, 2013, compared to 38% for all Morningstar-rated funds.
- Benoit Gervais appointed lead portfolio manager of the Mackenzie Resources Team during July, 2013.
  - Planned retirement of Fred Sturm, portfolio manager and team lead of the Mackenzie Resources Team. Fred had a very successful 32-year career with Mackenzie.
  - Benoit Gervais has helped develop and implement the team's investment disciplines over the past 12 years.
- Mackenzie's Singapore-based subsidiary obtained registration with the Monetary Authority of Singapore during April, and it was appointed as a sub-advisor on two Mackenzie fund mandates.

## 2. Product Shelf

- Launch of Mackenzie Strategic Bond Fund & Mackenzie Floating Rate Income Fund during the second quarter, managed by the Mackenzie Fixed Income Team.
- Fund mergers and name changes implemented during July and August, resulting from Mackenzie's April, 2013 announcement of simplification and strengthening of its product shelf.
- Effective April 5, Mackenzie suspended purchases into certain funds that use character conversion transactions to obtain tax efficient exposure for investors. Six of these funds were re-opened May 28.