



Q1, 2005 Results

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*May 6, 2005
3:30 PM ET*



Caution Concerning Forward Looking Statements

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

Non-GAAP Financial Measures

This report may also contain non-GAAP financial measures. Non-GAAP financial measures are used to provide management and investors with additional measures of performance. However, we caution that non-GAAP financial measures do not have standard meanings prescribed by GAAP and are not directly comparable to similar measures used by other companies. Specific instances of such measures that may be referred to within this document include “Adjusted EPS”, “Adjusted Net Income”, and “Net Income before Interest and Taxes (“EBIT”)”. We refer you to the appropriate reconciliation of these non-GAAP financial measures to measures prescribed by GAAP.

1. Highlights

2. Consolidated Results

3. Investors Group

4. Mackenzie Financial

5. Q & A

Highlights

- ◆ ***Net income increased by 8.7% during the quarter ended March 31, 2005 relative to the prior year.***

Quarters ended March 31

| | <u>2004</u> | <u>2005</u> | <u>%</u> |
|------------------------------|-------------|-------------|----------|
| Net Income (\$ millions) | 148 | 161 | 8.7% |
| Earnings Per Share (diluted) | \$ 0.56 | \$ 0.60 | 7.1% |
| Dividends Per Share | \$ 0.2750 | \$ 0.3225 | 17.3% |

Highlights

- ◆ **Long term mutual fund gross sales levels improved during Q1, 2005 relative to Q1, 2004, while net sales declined modestly.**

Quarters ended March 31 (\$ millions)

| | <u>2004</u> | <u>2005</u> | <u>%</u> |
|---|--------------------|-------------|----------|
| Average Mutual Fund Assets Under Management | 77,329 | 84,528 | 9.3% |
| Long Term Mutual Fund Sales | | | |
| Investors Group | 1,339 ¹ | 1,427 | 6.6% |
| Mackenzie ² | 1,681 | 1,937 | 15.2% |
| Counsel Group of Funds ³ | <u>129</u> | <u>130</u> | 0.4% |
| IGM Financial | 3,149 | 3,494 | 11.0% |
| Long Term Mutual Fund Net Sales | | | |
| Investors Group | 335 ¹ | 368 | 10.1% |
| Mackenzie ² | 406 | 368 | (9.2%) |
| Counsel Group of Funds ³ | <u>104</u> | <u>79</u> | (23.6%) |
| IGM Financial | 845 | 815 | (3.6%) |

- Adjusted to include \$125 million in sales that were funded with SolutionsBanking™ investment loans. These sales were initially made into money market funds and held for one day prior to being transferred into long term funds.
 - Includes hedge funds (hedge funds are not included within IFIC reporting).
 - IGM Financial acquired Counsel Group of Funds May 10, 2004, however results above are presented retroactive for acquisition.

Highlights

- ◆ **IGM Financial's mutual fund assets under management increased by 2.4% during Q1, 2005.**

| (\$ millions) | Dec 31, 2004 | Mar 31, 2005 | % |
|---|-----------------|-----------------|------|
| Mutual Fund Assets Under Management | | | |
| Investors Group | 44,510 | 45,508 | 2.2% |
| Mackenzie | 37,298 | 38,189 | 2.4% |
| Counsel Fund Management | 1,497 | 1,580 | 5.5% |
| IGM Financial ¹ | 83,273 | 85,245 | 2.4% |
| Client Assets Under Management & Administration | | | |
| Investors Group | 46,830 | 48,000 | 2.5% |
| Mackenzie | 44,855 | 47,196 | 5.2% |
| IPC Financial Network | 7,982 | 8,156 | 2.2% |
| IGM Financial ¹ | 96,571 | 100,097 | 3.7% |

1. Adjusted to eliminate double-counting of assets included within the balance of more than one IGM Financial subsidiary.

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Operating Environment

- ◆ **Net sales of long term funds as reported to IFIC during Q1, 2005 were down modestly relative to 2004 levels.**

Industry Long Term Mutual Fund Net Sales Quarters ended March 31 (\$ millions)

| | 2004 | 2005 | Change | |
|---|--------------------|--------------|----------------|--------------|
| | | | \$ | % |
| IGM Financial | | | | |
| Investors Group | 335 ¹ | 368 | 34 | 10% |
| Mackenzie ² | 417 | 378 | (40) | (9%) |
| | <u>752</u> | <u>746</u> | <u>(6)</u> | <u>(1%)</u> |
| Industry | | | | |
| Advice channel (broker/dealer) ² | 3,987 ¹ | 3,419 | (568) | (14%) |
| Deposit takers | 6,395 | 5,942 | (452) | (7%) |
| Direct | 258 | 195 | (63) | (24%) |
| | <u>10,640</u> | <u>9,557</u> | <u>(1,083)</u> | <u>(10%)</u> |
| Advice channel (ex. IGM) | 3,235 | 2,673 | (562) | (17%) |

- Adjusted to include \$125 million in Investors Group sales that were funded with SolutionsBanking™ investment loans. These sales were initially made into money market funds and held for one day prior to being transferred into long term funds.
- Excludes Mackenzie (and other) hedge funds (hedge funds are not included within IFIC reporting).

Source: IFIC

Operating Environment

- ◆ **Income-oriented mandates continued to capture a significant proportion of flows during Q1, 2005.**

Industry Long Term Fund Sales (\$ billions) Quarter ended March 31, 2005

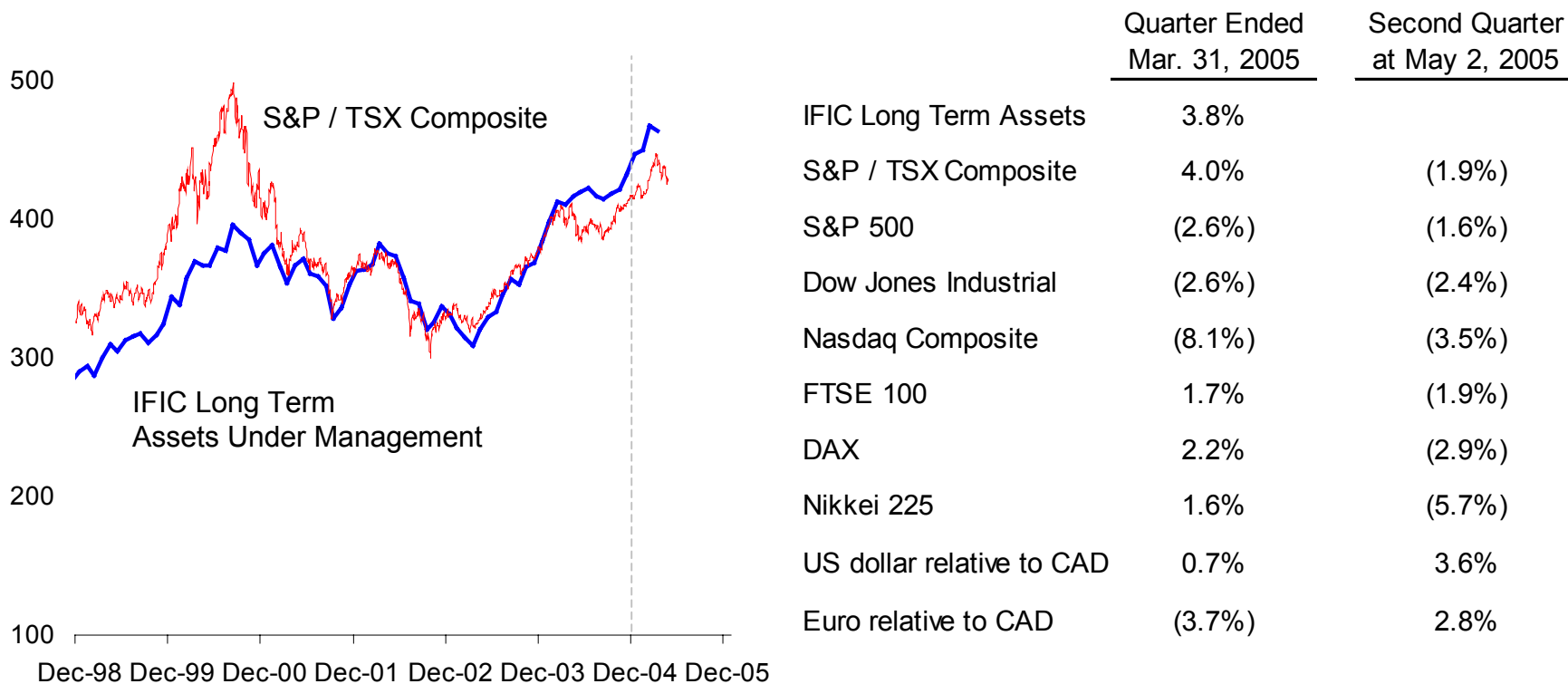
| Long Term Fund Type | Gross Sales | | | Net Sales | | |
|---|-------------------------|----------------|-------|-------------------------|----------------|-------|
| | Advice channel & direct | Deposit takers | Total | Advice channel & direct | Deposit takers | Total |
| Bond & Income | 2.0 | 3.5 | 5.5 | 0.8 | 2.1 | 2.9 |
| Dividend & Income | 3.7 | 2.3 | 6.1 | 2.5 | 1.7 | 4.2 |
| "Income" Balanced and Equity ¹ | 2.3 | 1.8 | 4.2 | 1.6 | 1.4 | 3.0 |
| Total Income | 8.1 | 7.6 | 15.7 | 4.9 | 5.2 | 10.1 |
| % Income | 42% | 68% | 51% | | | |
| Canadian Equity & Balanced | 7.0 | 2.1 | 9.1 | 0.2 | 0.4 | 0.6 |
| Foreign Equity | 4.2 | 1.5 | 5.7 | (1.5) | 0.3 | (1.2) |
| Total Balanced & Equity | 11.2 | 3.7 | 14.8 | (1.3) | 0.7 | (0.6) |
| Total Long Term | 19.3 | 11.3 | 30.5 | 3.6 | 5.9 | 9.6 |

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

Operating Environment

- ◆ **During Q1, 2005, industry long term mutual fund assets under management increased by 3.8%, driven by equity market improvements and net sales.**

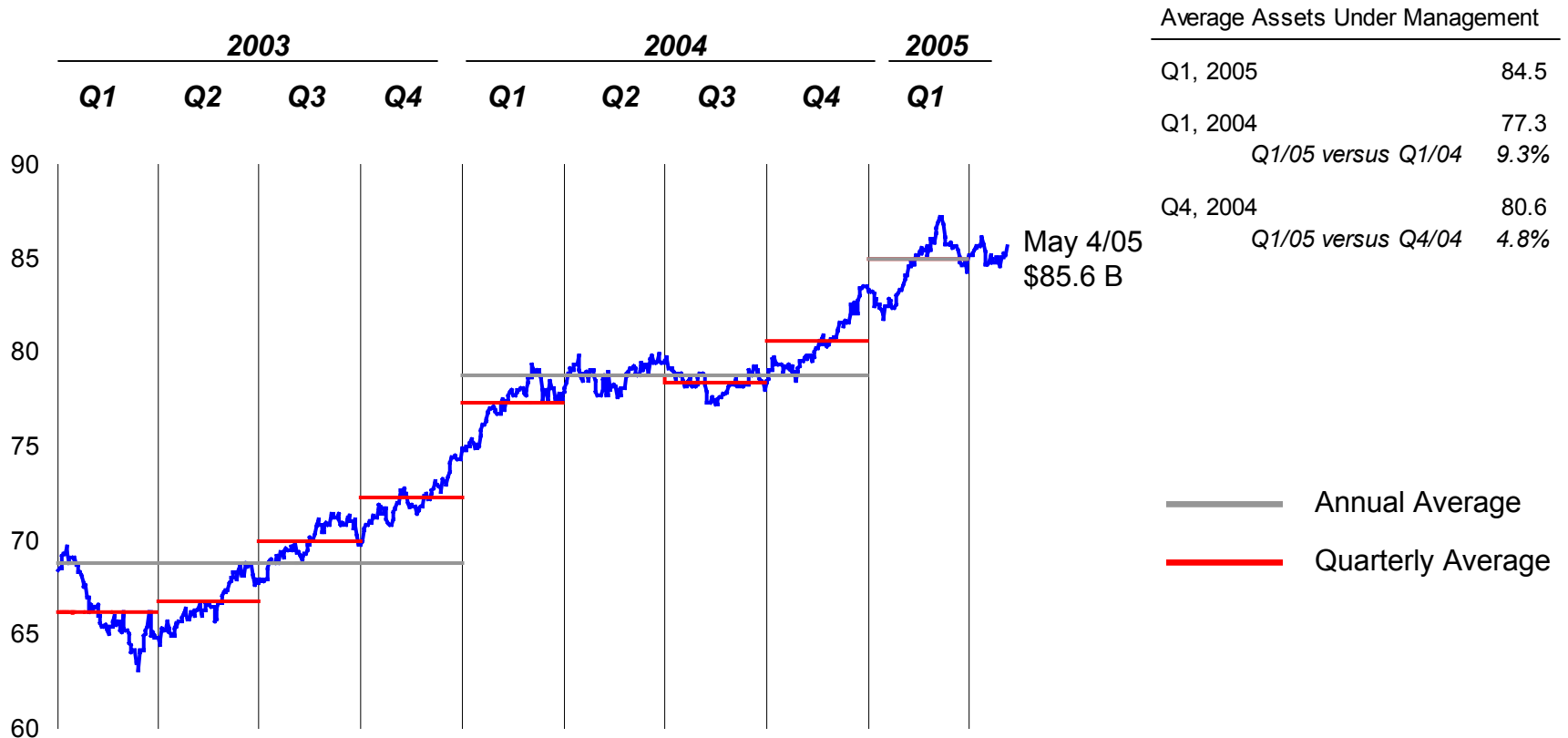
Industry Long Term Mutual Fund Assets Under Management (\$ billions)



Source: IFIC

Consolidated Mutual Fund Assets Under Management (\$ billions)

- ◆ **Average mutual fund assets under management increased by 4.8% during Q1, 2005 relative to the average balance during Q4, 2004 and by 9.3% relative to the average balance during Q1, 2004.**



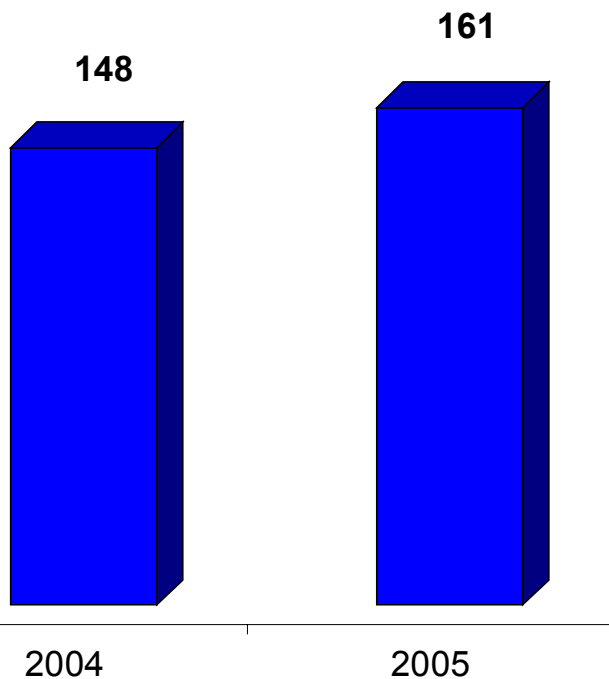
Includes Counsel fund assets under management effective May 10, 2004.

First Quarter Earnings

- ◆ *Net income increased by 8.7% during Q1, 2005 relative to Q1, 2004.*

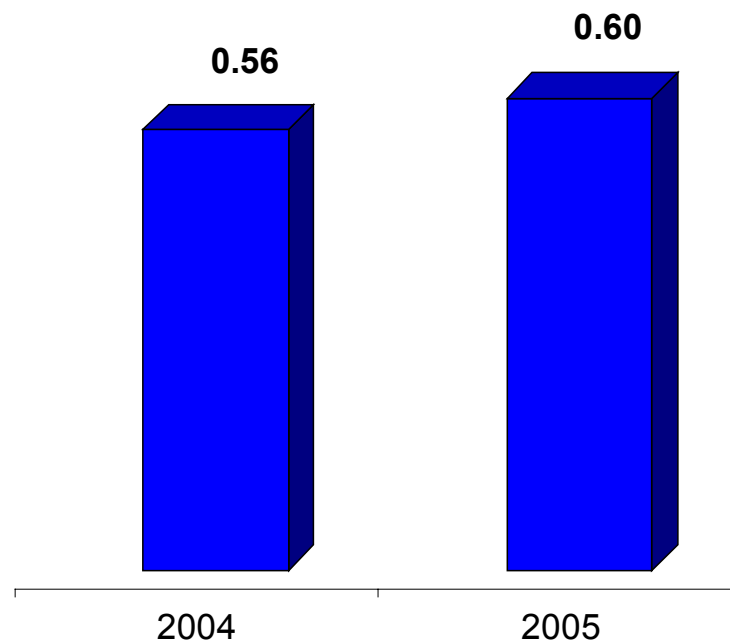
Net Income

Quarters Ended March 31 (\$ millions)



Earnings Per Share

Quarters Ended March 31 (\$)



Commission Expense

- ◆ **Excluding Investment Planning Counsel, IGM Financial's commission expense increased by 10.2% during Q1, 2005 relative to Q1, 2004.**

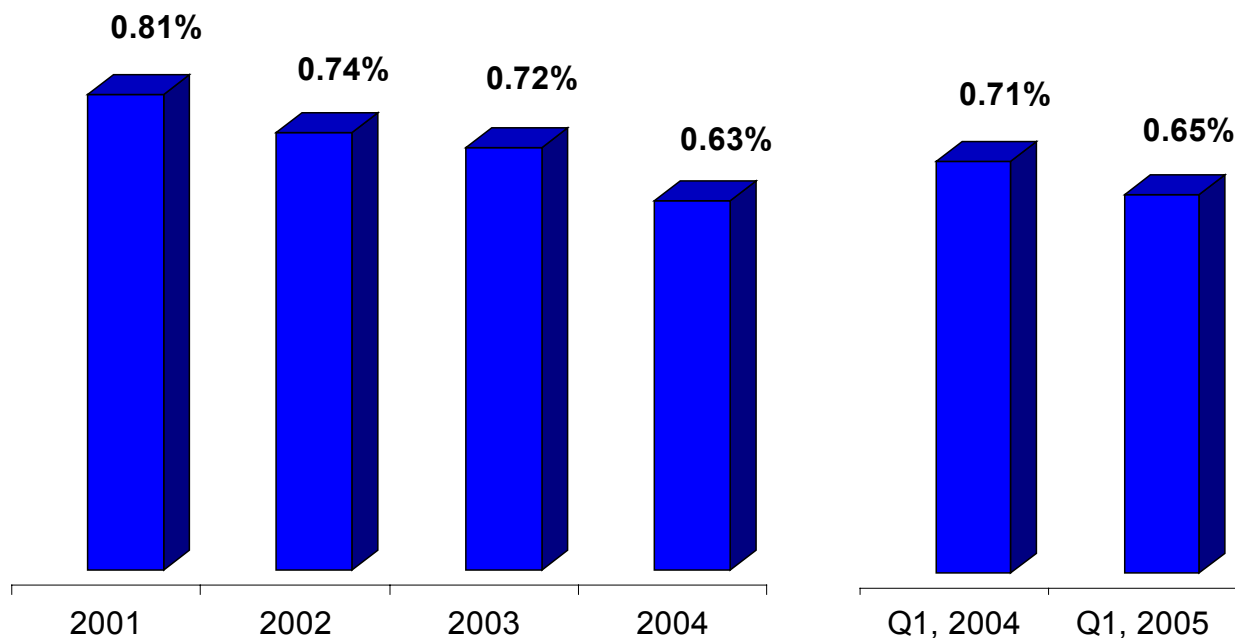
Commission Expense (\$ millions) Quarters ended March 31

| | 2004 | 2005 | Change | |
|--------------------------------|--------------|--------------|-------------|--------------|
| | | | \$ | % |
| Commission amortization | | | | |
| Investors Group & Mackenzie | 54.0 | 61.7 | 7.7 | 14.2% |
| Investment Planning Counsel | - | 0.9 | 0.9 | |
| | <u>54.0</u> | <u>62.6</u> | <u>8.6</u> | <u>15.9%</u> |
| Trailers and other commissions | | | | |
| Investors Group & Mackenzie | 89.8 | 96.7 | 6.9 | 7.7% |
| Investment Planning Counsel | - | 16.3 | 16.3 | |
| | <u>89.8</u> | <u>113.0</u> | <u>23.2</u> | <u>25.9%</u> |
| Total Commission expense | | | | |
| Investors Group & Mackenzie | 143.8 | 158.4 | 14.6 | 10.2% |
| Investment Planning Counsel | - | 17.2 | 17.2 | |
| | <u>143.8</u> | <u>175.6</u> | <u>31.8</u> | <u>22.1%</u> |

Expense Management

- ◆ *The Company remains focused on cost management in an environment of increased sales and transaction volumes.*

Consolidated Non-Commission Expenses (excluding Investment Planning Counsel)
 (Annualized % of Mutual Fund Assets Under Management)



| | | | | | | |
|-----------------------------------|------|------|------|------|------|------|
| Non-Commission Expenses (\$ MM) | 599 | 535 | 494 | 494 | 137 | 134 |
| Average mutual fund assets (\$ B) | 74.2 | 72.1 | 68.9 | 78.8 | 77.3 | 83.0 |
| Long term fund sales (\$ B) | 7.5 | 8.2 | 7.1 | 9.4 | 3.0 | 3.4 |

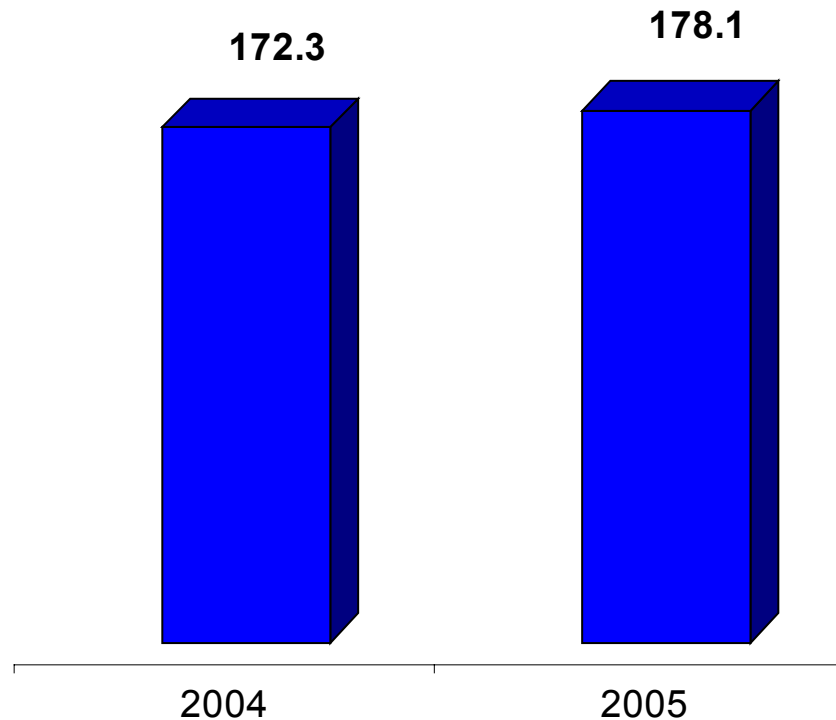
2001 is retroactively restated for Mackenzie acquisition, and all numbers have been adjusted to exclude discontinued operations.

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Investors Group Operating Income before Interest & Taxes

- ◆ *During the quarter ended March 31, 2005, Investors Group's Income before Interest & Taxes increased by 3.4% relative to the prior year.*

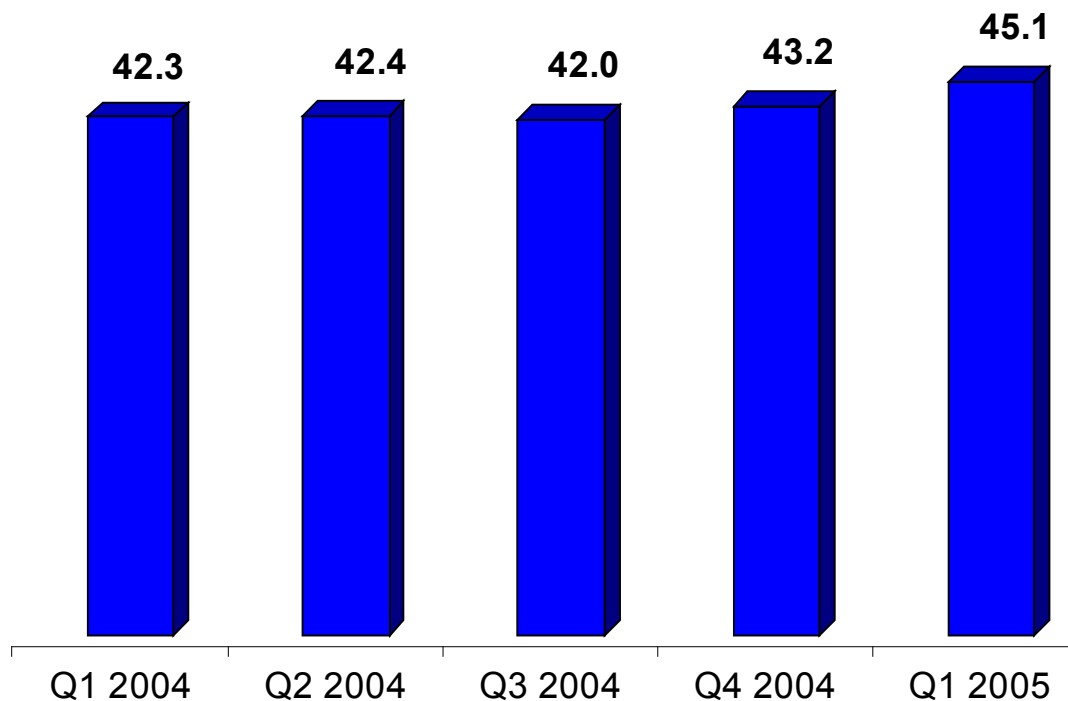
Quarters Ended March 31
(\$ Millions)



Investors Group Assets Under Management

- ◆ *The average balance of mutual fund assets under management increased by 4.4% during Q1, 2005 relative to Q4, 2004 and increased by 6.6% relative to Q1, 2004.*

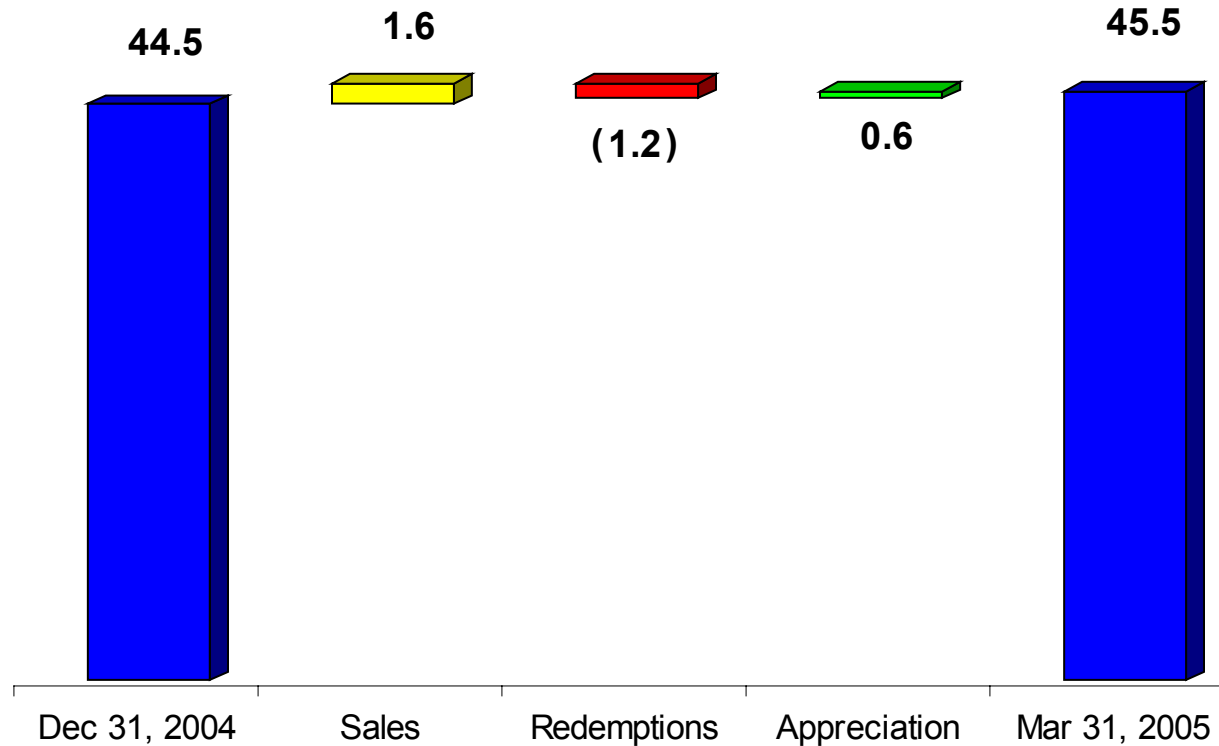
Investors Group Average Mutual Fund Assets Under Management
(\$ Billions)



Investors Group Mutual Fund Assets Under Management

- ◆ *Investors Group mutual fund assets increased by 2.2% during the first quarter due to both net sales and equity market increases.*

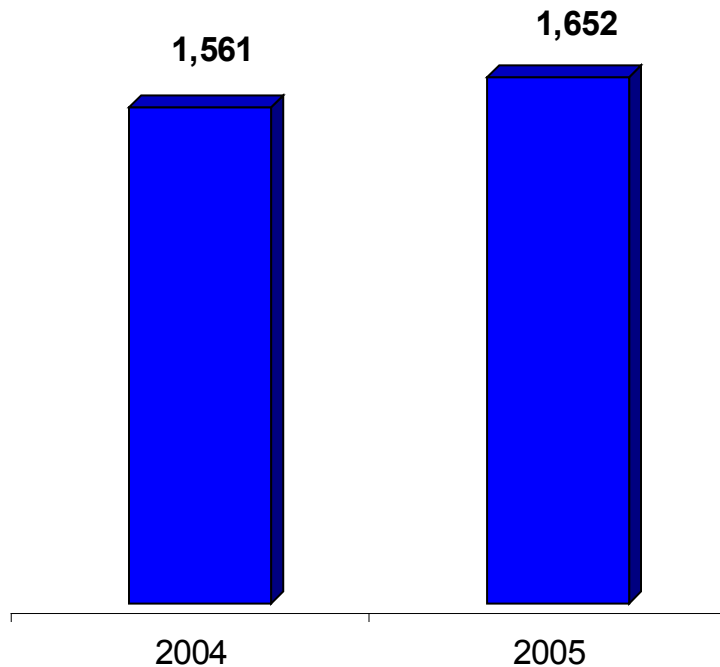
Change in Investors Group Mutual Fund Assets Under Management
(\$ Billions)



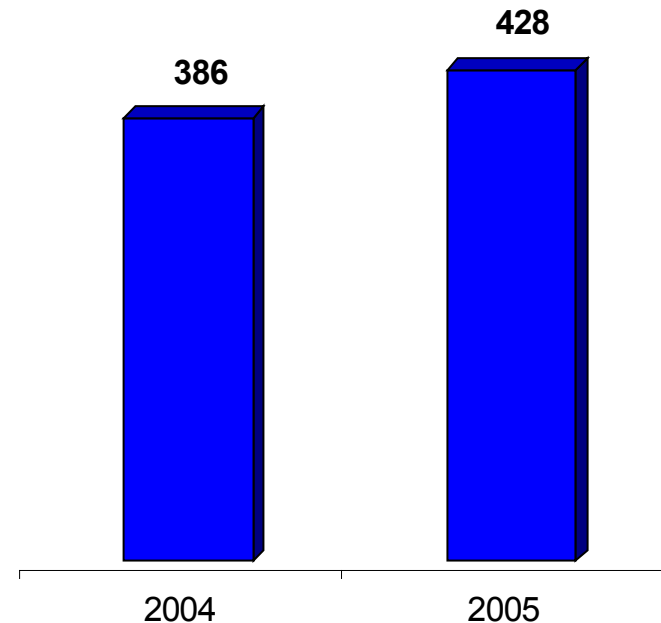
Investors Group Mutual Fund Sales

- ◆ *Investors Group net sales increased by 10.9% during Q1, 2005 relative to Q1, 2004, while net sales declined by 15.7% for the rest of the industry.*

Mutual Fund Gross Sales
Quarters Ended March 31 (\$ Millions)



Mutual Fund Net Sales
Quarters Ended March 31 (\$ Millions)

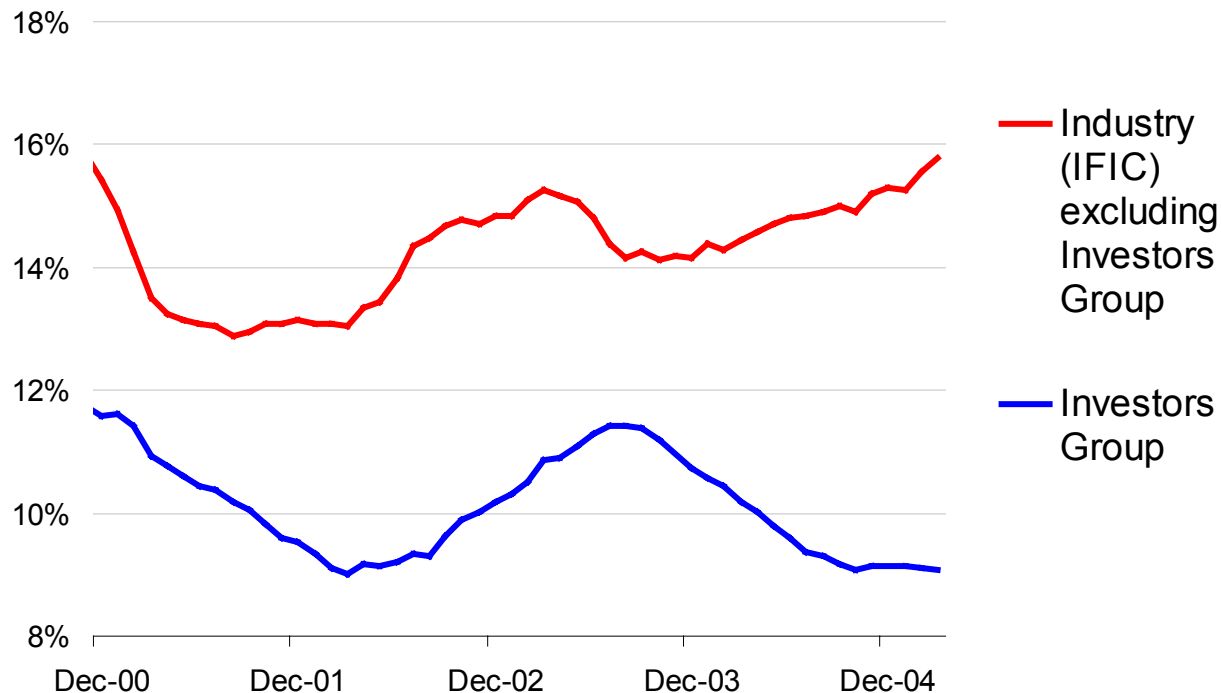


Investors Group Mutual Fund Redemption Rate

- ♦ ***Driven by strong retention of Consultants, Investors Group's long term fund redemption rate decreased from 10.2% at March 31, 2004 to 9.1% at March 31, 2005.***

Redemption Rate on Long Term Mutual Funds

(Last Twelve Month Trailing % of Average Assets Under Management)

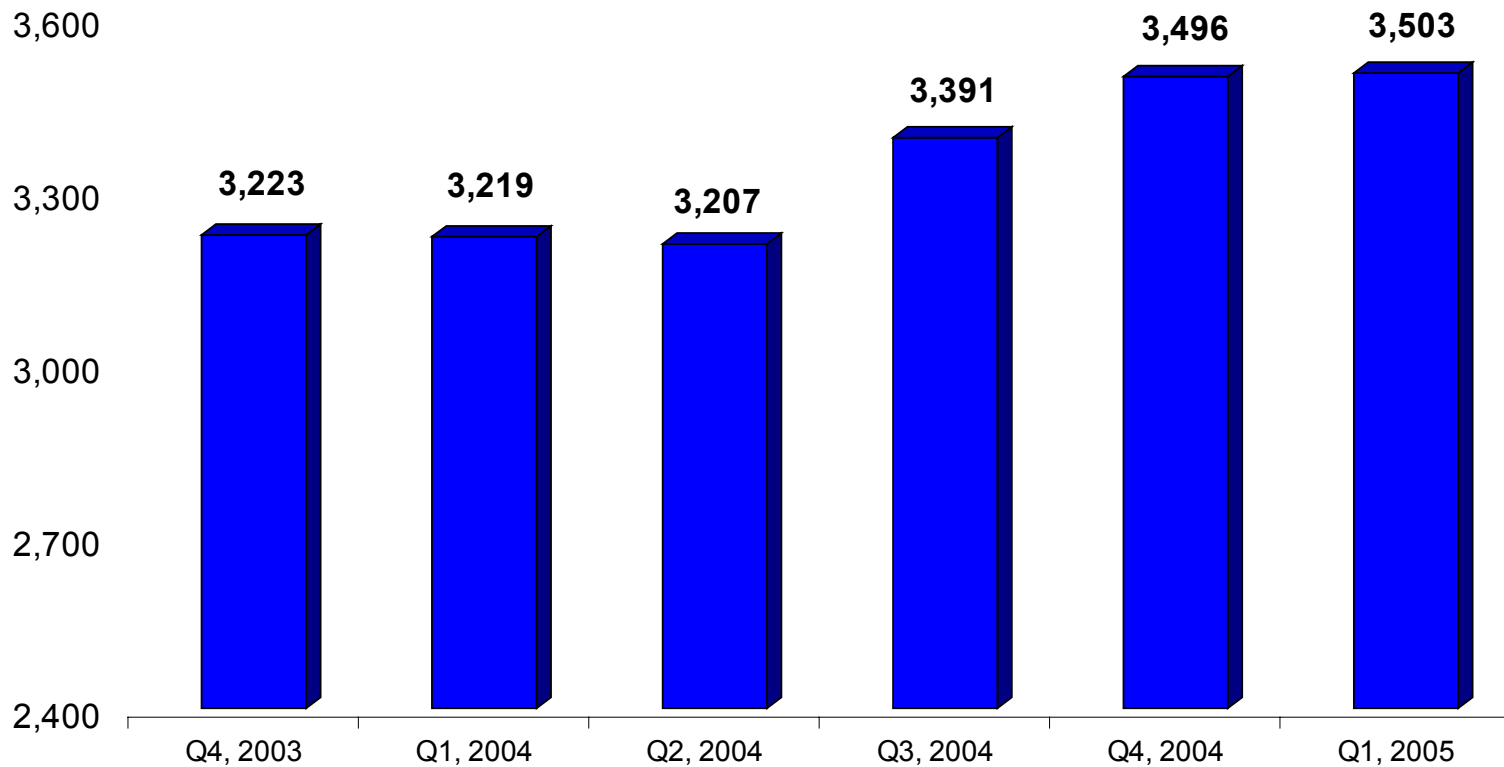


"Industry (IFIC) excluding Investors Group" has been adjusted to exclude an extraordinary redemption of \$884 million from AGF during January, 2005. Numbers have been retroactively restated to exclude Maxxum redemptions (Maxxum operations were transferred to Mackenzie October 5, 2001)

Investors Group Consultant Network

- ◆ *The Consultant Network continues to grow through strong recruiting and improved retention. At just over 3,500 Consultants at the end of March, 2005, we are up 284 Consultants (8.8%) during the last year.*

Number of Investors Group Consultants

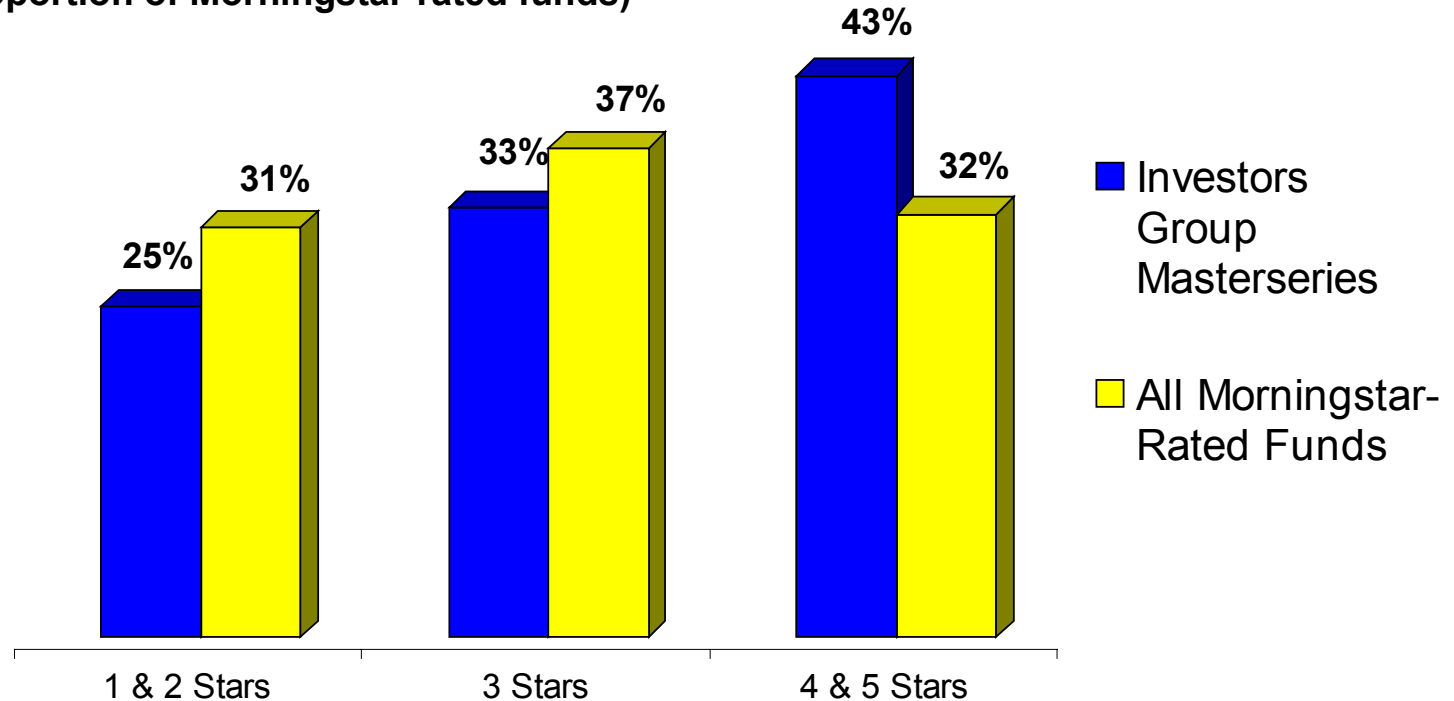


At March 31, 2005, 59% of Investors Group Consultants had been with Investors Group for over four years.

Investors Group Mutual Fund Product Offering

- ◆ **Strong long term risk-adjusted investment performance by the IG investment management team is demonstrated by 43% of our Masterseries funds being rated 4 or 5 star by Morningstar, compared to 32% for all Morningstar-rated funds.**

Morningstar Ratings at March 31, 2005
(proportion of Morningstar-rated funds)



Source - Morningstar

Investors Group – Q1, 2005 Developments

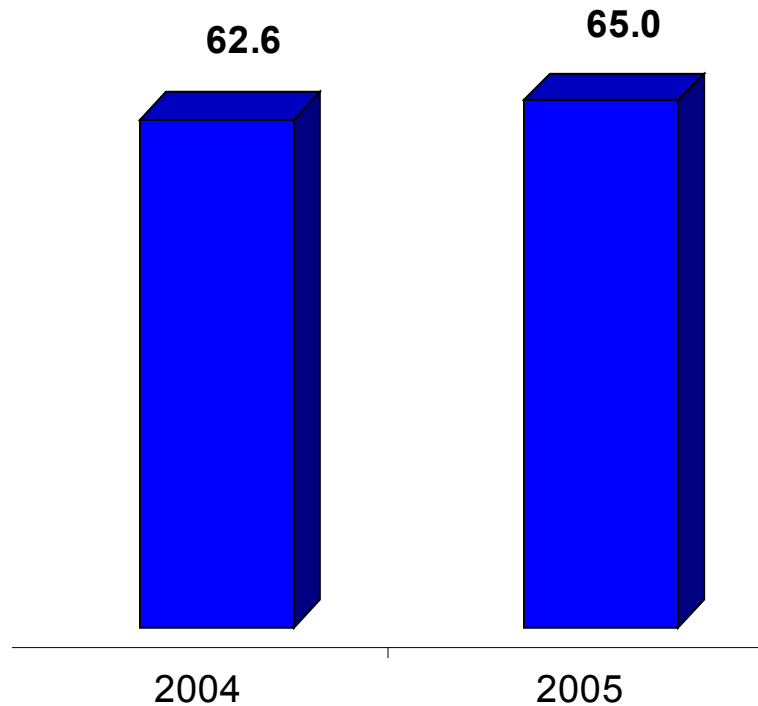
- Expanded advertising campaign highlighting “The Plan”.
- Introduced an improved approach to training new Investors Group Consultants.
- Continued commitment to Investors Group Consultant Network growth with the introduction of six new Investors Group Region Offices.
 - Additional offices in Calgary, Edmonton and Toronto.
 - Expanding three existing division offices into Region Offices.
 - Offices will be introduced during Q3, 2005.

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2. Consolidated Results
3. Investors Group
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Mackenzie Operating Income before Interest & Taxes

- ◆ *During the Q1, 2005, Mackenzie's Income before Interest and Taxes increased by 3.8% relative to Q1, 2004.*

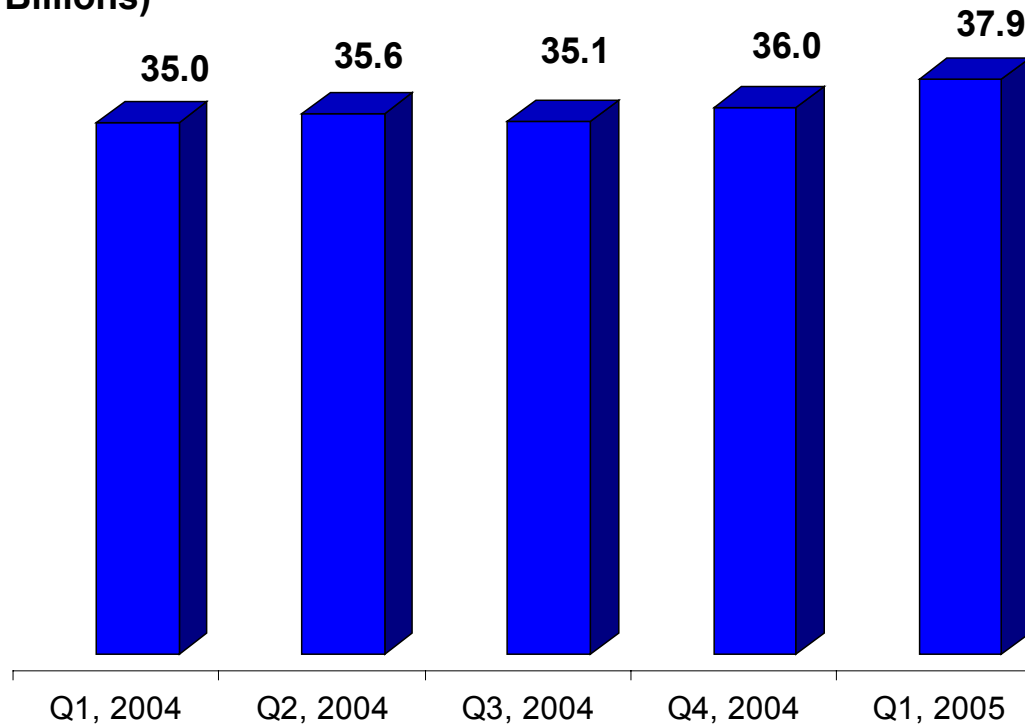
Quarters Ended March 31 (\$ Millions)



Mackenzie Mutual Fund Assets Under Management

- ♦ *The average balance of mutual fund assets under management increased by 5.2% during Q1, 2005 relative to Q4, 2004, and increased by 8.2% relative to Q1, 2004.*

**Average Mackenzie Mutual Fund Assets Under Management
(\$ Billions)**



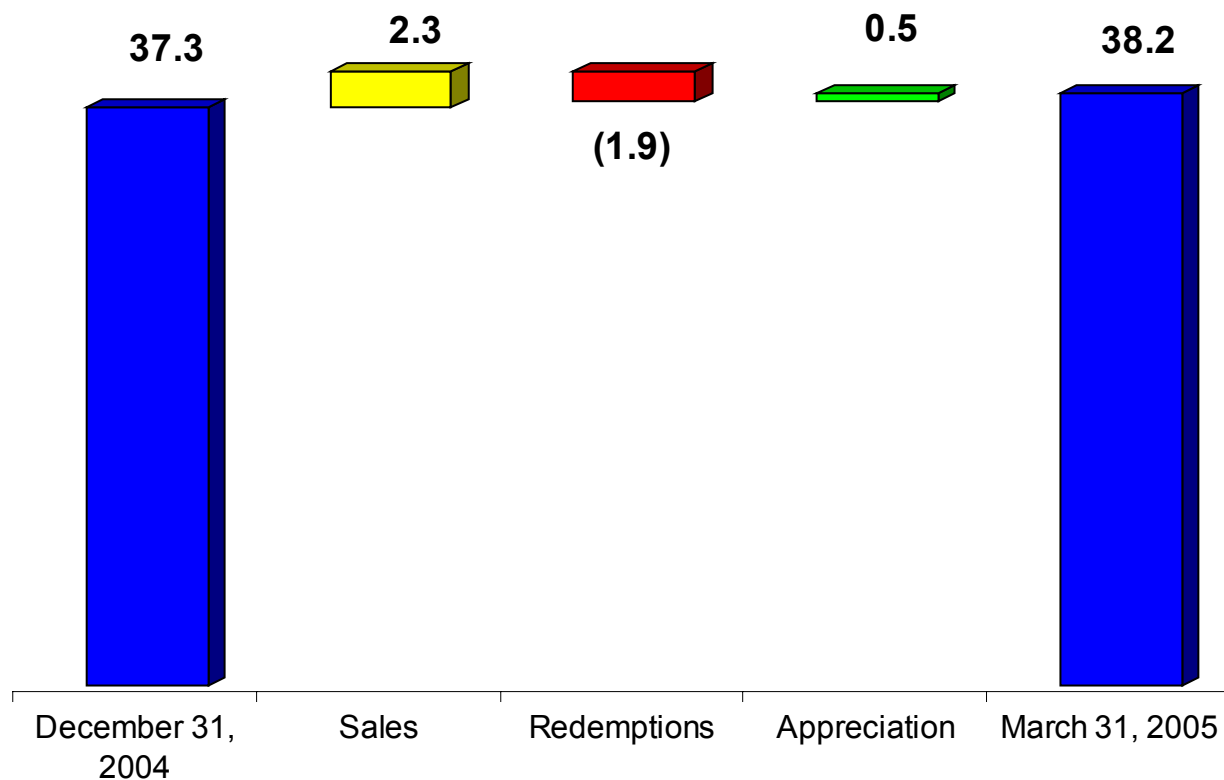
Hedge funds are included in Mutual Fund Assets Under Management (hedge funds are not reported within IFIC data).



Mackenzie Mutual Fund Assets Under Management

- ◆ *Mackenzie's mutual fund assets under management increased by 2.4% during Q1, 2005, driven by net sales and equity market increases.*

Mackenzie Mutual Fund Assets Under Management (\$ Billions)



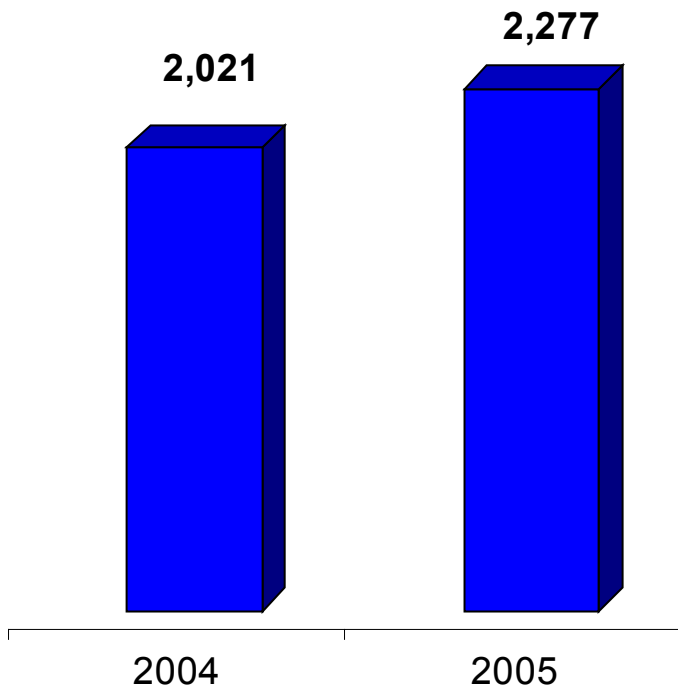
Hedge funds are included in Mutual Fund Assets Under Management (hedge funds are not reported within IFIC data).



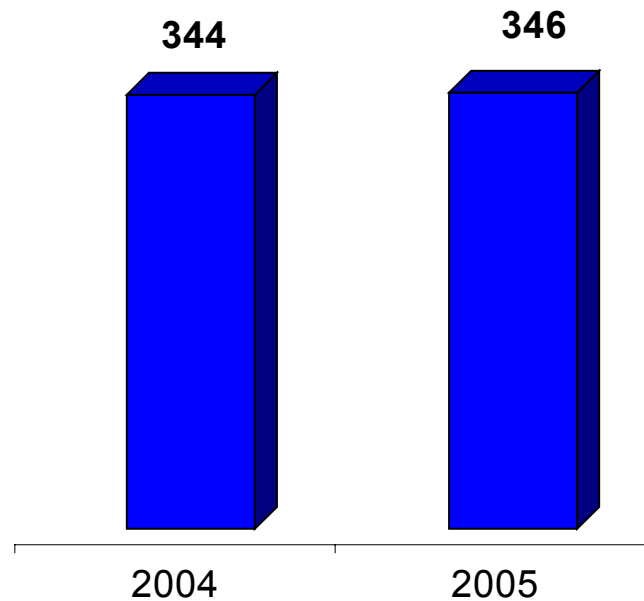
Mackenzie Mutual Fund Sales

- ◆ *Mackenzie's gross sales increased 12.6% and net sales increased by 0.6% during Q1, 2005 relative to Q1, 2004.*

Mutual Fund Gross Sales
Quarters ended March 31 (\$ Millions)



Mutual Fund Net Sales
Quarters ended March 31 (\$ Millions)



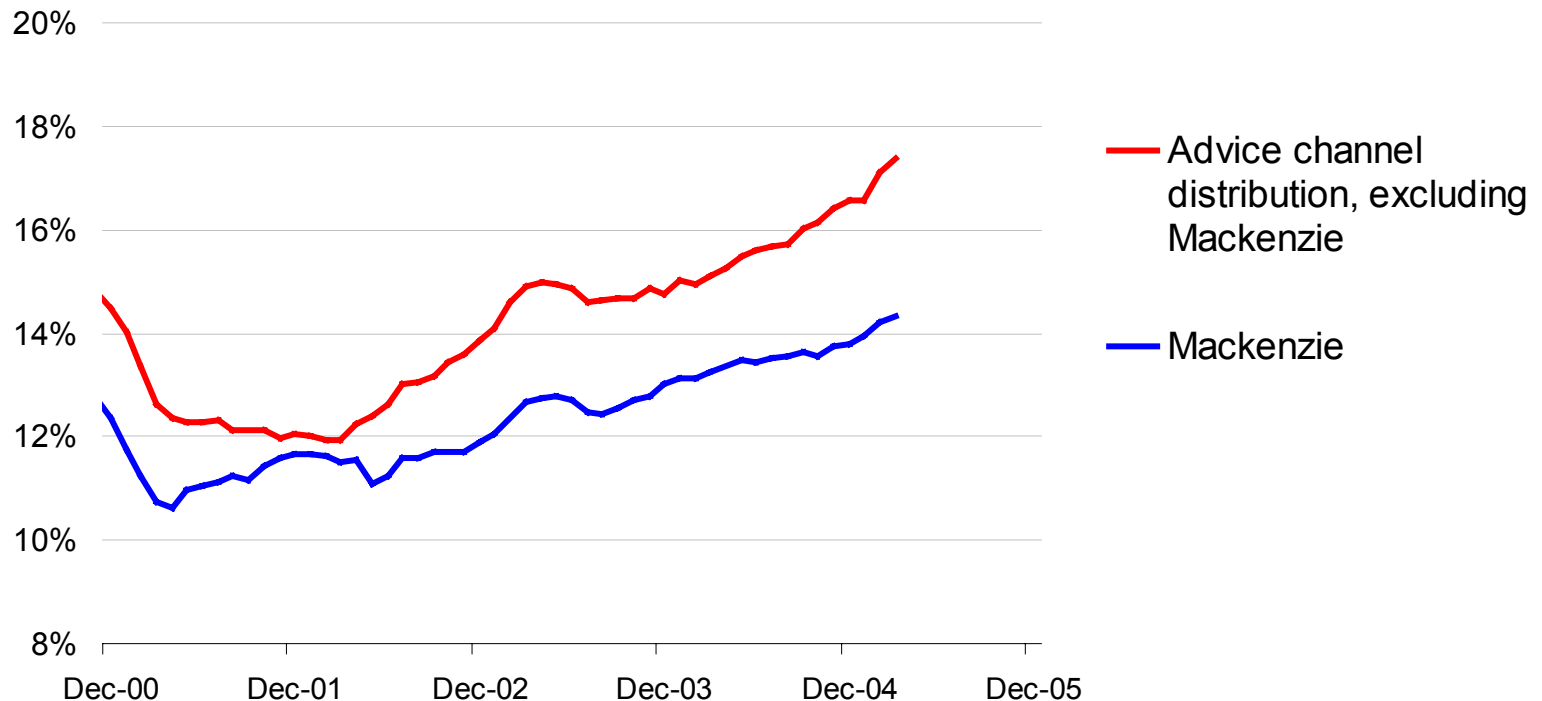
Hedge funds are included in Mutual Fund Sales (hedge funds are not reported within IFIC data).



Mackenzie Mutual Fund Redemption Rate

- ◆ *Mackenzie's redemption rate on long term assets is below the industry rate.*

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



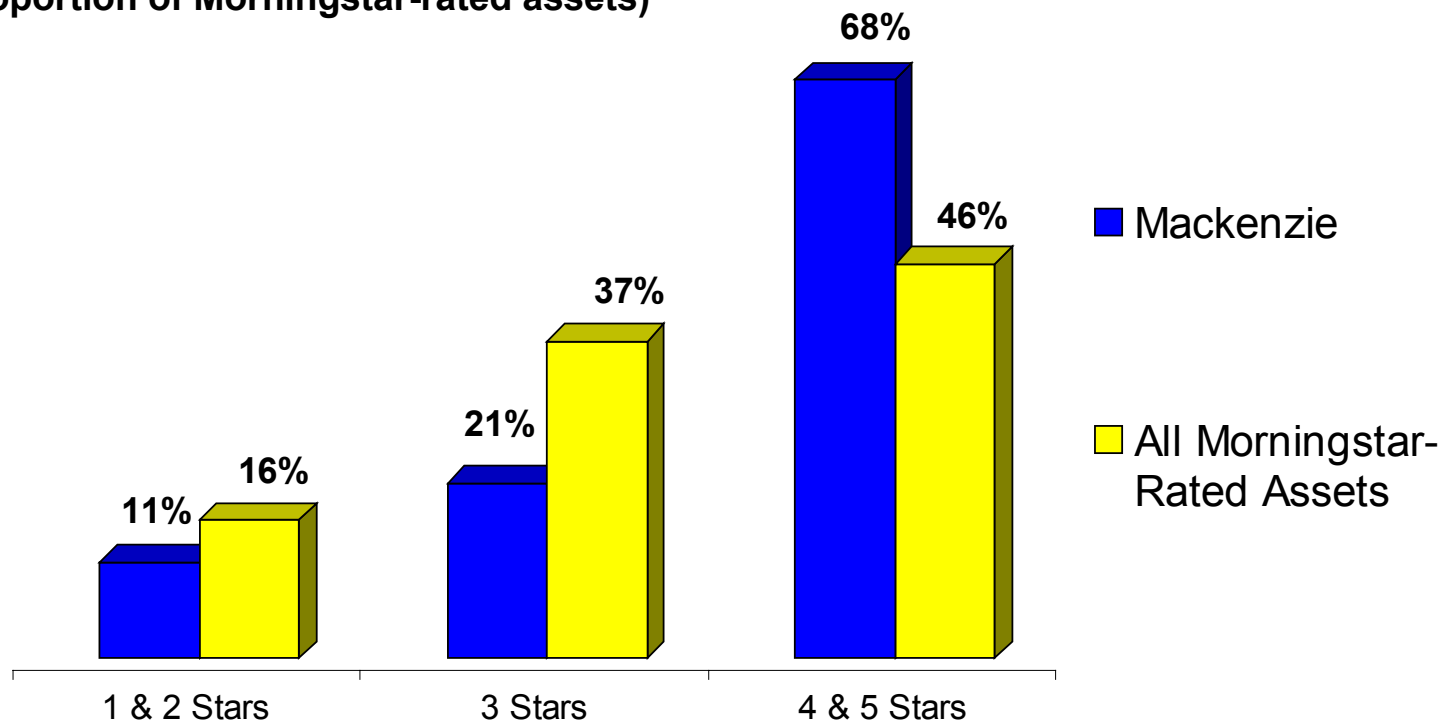
Advice channel distribution represents total industry reported by IFIC, excluding Investors Group, Mackenzie, deposit takers and direct distributors. Advice channel has been adjusted to exclude an extraordinary redemption of \$884 million from AGF during January, 2005. Numbers have been retroactively restated to include Maxxum redemptions (Maxxum operations were transferred to Mackenzie October 5, 2001) Hedge funds have been excluded from Mackenzie numbers for comparability (Hedge funds are not reported within IFIC data).



Mackenzie Investment Performance

- ◆ ***Mackenzie's disciplined approach to investment management has produced strong results, 68% of assets under management residing in funds with a 4 or 5 star Morningstar rating. This compares with 46% for the Morningstar-rated universe.***

**Morningstar Ratings at March 31, 2005
(proportion of Morningstar-rated assets)**



Source - Morningstar



Mackenzie Asset Management Developments

- \$40 million raised through the IPO of the MSP 2005 Resource Limited Partnership.
- Assets in the natural resource fund sub-advisory mandate to Waddell & Reed in the U.S. increased to over \$1.6 billion during the quarter, a 50% increase.
- Mandates awarded to Mackenzie within the Manulife GIF and GIF Encore segregated fund programs contributed over \$500 million in institutional business during the quarter.
- Mackenzie announced plans to change the name and mandate of the Mackenzie Maxxum Pension Fund to the Mackenzie Maxxum Monthly Income Fund.
- A low load sales option was introduced to the Symmetry managed assets program during April.



IGM
Financial