



# IGM FINANCIAL Q2, 2011 Results

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August 4, 2011

STRENGTH | FOCUS | GROWTH

**IGM**  
Financial

# IGM Financial – Conference Call Participants

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**Murray J. Taylor**

President & CEO,  
Investors Group

Co - President & CEO,  
IGM Financial

**Charles R. Sims**

President & CEO,  
Mackenzie

Co - President & CEO,  
IGM Financial

**Gregory D. Tretiak**

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 for the purposes of assisting 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 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 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.

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 (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 Company's ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, and the Company'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 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 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 is provided in its disclosure materials filed with the securities regulatory authorities in Canada, available at [www.sedar.com](http://www.sedar.com).

# IFRS Adoption

1. IGM Financial Inc. commenced reporting in accordance with International Financial Reporting Standards (“IFRS”) for the quarter ended March 31, 2011.
  - Unaudited Interim Condensed Consolidated Financial Statements, for the three and six months ended June 30, 2011, were prepared in accordance with IAS 34, *Interim Financial Statements*.
  - First full year financial statements under IFRS will be prepared for the year ended December 31, 2011.
2. 2010 comparative periods are also prepared in accordance with IFRS, and have been presented in accordance with IFRS within this presentation and within 2011 interim period financial statements and related disclosures.
3. Additional information on the Company’s transition to IFRS is available in:
  - The notes to the Interim Financial Statements and in the MD&A for the three and six month periods ended June 30, 2011,
  - The Company’s 2010 Annual Report, and
  - The Company’s press release dated April 21, 2011 related to the restatement of 2010 financial information under IFRS.

# Non-IFRS Financial Measures

- Net earnings available to common shareholders, which is a financial measure in accordance with IFRS, may be divided 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”.
- 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.

# 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. IGM Financial Q2, 2011 financial results press release issued August 4, 2011. This press release includes financial highlights as well as a summary earnings statement.
2. IGM Financial Q2, 2011 Unaudited Interim Condensed Consolidated Financial Statements and notes issued August 4, 2011.
3. IGM Financial Q2, 2011 Management's Discussion and Analysis ("MD&A") issued August 4, 2011.
4. IGM Financial Q2, 2011 Supplemental Information issued August 4, 2011.
5. IGM Financial July, 2011 Assets Under Management press release issued August 3, 2011.
6. IGM Financial Adoption of International Financial Reporting Standards (IFRS) press release issued April 21, 2011.
7. IGM Financial Q1, 2011 Interim Report which was issued on May 6, 2011.
8. IGM Financial 2010 Annual Report which was issued on March 23, 2011.

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. Value of Advice

3. Investors Group

4. Mackenzie

# IGM Financial Highlights – Earnings

- *IGM Financial's Net Earnings Per Share increased by 23.5% during the second quarter of 2011 relative to the second quarter of 2010, and increased by 17.9% year to date.*

|                                  | <u>Three months ended June 30</u> |             |               | <u>Six months ended June 30</u> |             |               |
|----------------------------------|-----------------------------------|-------------|---------------|---------------------------------|-------------|---------------|
|                                  | <u>2010</u>                       | <u>2011</u> | <u>Change</u> | <u>2010</u>                     | <u>2011</u> | <u>Change</u> |
| Net earnings (millions)          | \$ 178.3                          | \$ 216.9    | 21.7%         | \$ 370.0                        | \$ 428.7    | 15.9%         |
| Net earnings per share (diluted) | 0.68                              | 0.84        | 23.5%         | 1.40                            | 1.65        | 17.9%         |
| Dividends per share              | 0.5125                            | 0.5125      | -             | 1.025                           | 1.025       | -             |

# IGM Financial Highlights – Gross Sales

- *IGM Financial had gross sales of \$4.0 billion during Q2, 2011 and \$9.5 billion year to date.*

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

|                         | Three Months Ended June 30, 2011 |                           |            |                                  | Six Months Ended June 30, 2011 |                           |            |                                  |
|-------------------------|----------------------------------|---------------------------|------------|----------------------------------|--------------------------------|---------------------------|------------|----------------------------------|
|                         | Investors Group                  | Mackenzie                 | Counsel    | IGM Financial                    | Investors Group                | Mackenzie                 | Counsel    | IGM Financial                    |
| Long term mutual funds  | 1,247                            | 1,223                     | 119        | <b>2,588</b>                     | 3,080                          | 3,029                     | 268        | <b>6,376</b>                     |
| Short term mutual funds | 158                              | 135                       | 15         | <b>308</b>                       | 371                            | 291                       | 34         | <b>696</b>                       |
| Total mutual funds      | 1,405                            | 1,358                     | 134        | <b>2,896</b>                     | 3,451                          | 3,320                     | 302        | <b>7,072</b>                     |
| Institutional           |                                  | 1,326                     |            | <b>1,065</b>                     |                                | 2,850                     |            | <b>2,465</b>                     |
| Total                   | <u>1,405</u>                     | <u>2,684</u> <sup>1</sup> | <u>134</u> | <u><b>3,961</b></u> <sup>1</sup> | <u>3,451</u>                   | <u>6,170</u> <sup>1</sup> | <u>302</u> | <u><b>9,537</b></u> <sup>1</sup> |

1. Total gross sales exclude sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel. These mandates had gross sales of \$262 million during Q2, 2011 and \$386 million year to date.



# IGM Financial Highlights – Net Sales

- *IGM Financial had net redemptions of \$486 million during Q2, 2011 and net sales of \$133 million year to date.*

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

|                         | Three Months Ended June 30, 2011 |                          |           |                                 | Six Months Ended June 30, 2011 |                         |            |                               |
|-------------------------|----------------------------------|--------------------------|-----------|---------------------------------|--------------------------------|-------------------------|------------|-------------------------------|
|                         | Investors Group                  | Mackenzie                | Counsel   | IGM Financial                   | Investors Group                | Mackenzie               | Counsel    | IGM Financial                 |
| Long term mutual funds  | (119)                            | (309)                    | 42        | <b>(387)</b>                    | 354                            | (316)                   | 100        | <b>137</b>                    |
| Short term mutual funds | (26)                             | (36)                     | 10        | <b>(52)</b>                     | 5                              | (72)                    | 25         | <b>(42)</b>                   |
| Total mutual funds      | (145)                            | (345)                    | 52        | <b>(439)</b>                    | 359                            | (388)                   | 125        | <b>95</b>                     |
| Institutional           |                                  | 172                      |           | <b>(47)</b>                     |                                | 336                     |            | <b>38</b>                     |
| Total                   | <u>(145)</u>                     | <u>(173)<sup>1</sup></u> | <u>52</u> | <u><b>(486)<sup>1</sup></b></u> | <u>359</u>                     | <u>(52)<sup>1</sup></u> | <u>125</u> | <u><b>133<sup>1</sup></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 \$220 during Q2, 2011 and \$299 million year to date.



# IGM Financial Highlights – Assets Under Management

- IGM Financial's average assets under management were unchanged during Q2, 2011 relative to Q1, 2011.

| (\$ Billions)   | Jun 30,<br>2010 | Sep 30,<br>2010 | Dec 31,<br>2010 | Mar 31,<br>2011 | Jun 30,<br>2011 | Change          |              |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|
|   |                 |                 |                 |                 |                 | Last<br>Quarter | Last<br>Year |
| <b>Average Assets Under Management (for the period ended)</b> |                 |                 |                 |                 |                 |                 |              |
| <b>IGM Financial</b>  | <b>120.6</b>    | <b>119.2</b>    | <b>125.9</b>    | <b>131.9</b>    | <b>132.0</b>    | <b>0.1%</b>     | <b>9.5%</b>  |
| Investors Group   | 57.9            | 57.2            | 60.2            | 63.0            | 62.8            | (0.2%)          | 8.6%         |
| Mackenzie <sup>1,2</sup>                                      | 63.4            | 62.7            | 66.4            | 69.5            | 69.9            | 0.6%            | 10.3%        |
| Counsel <sup>1,3</sup>  | 2.2             | 2.3             | 2.5             | 2.8             | 2.8             | 2.7%            | 27.0%        |
| <b>Ending Assets Under Management (as at end of period)</b>   |                 |                 |                 |                 |                 |                 |              |
| <b>IGM Financial</b>  | <b>115.7</b>    | <b>122.7</b>    | <b>129.5</b>    | <b>134.1</b>    | <b>130.2</b>    | <b>(2.9%)</b>   | <b>12.5%</b> |
| Investors Group   | 55.5            | 58.8            | 61.8            | 64.0            | 62.2            | (3.0%)          | 12.1%        |
| Mackenzie <sup>1,2</sup>                                      | 60.9            | 64.5            | 68.3            | 70.7            | 68.8            | (2.6%)          | 13.0%        |
| Counsel <sup>1,3</sup>  | 2.2             | 2.4             | 2.7             | 2.8             | 2.8             | 0.4%            | 31.0%        |

- Includes certain items not included within reporting to the Investment Funds Institute of Canada ("IFIC"). These items include the Mackenzie Alternative Strategies Fund and investments of certain Counsel funds in the units of mutual funds managed by other members of IFIC.
- Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group or Counsel. These mandates had assets under management of \$3.7 billion at June 30, 2011.
- Includes \$128 million acquired through the acquisition of Partners in Planning, which closed November 1, 2010. Excluding this acquisition, assets under management increased by 25.1% during the twelve months ended June 30, 2011.

# Operating Environment – Industry Sales Mix

- *The industry experienced an increase in gross sales of 10% during Q2, 2011 relative to Q2, 2010 and net sales of \$4.9 billion.*

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

|                    | Long Term Funds |             |               | Total Funds  |             |              |
|--------------------|-----------------|-------------|---------------|--------------|-------------|--------------|
|                    | 2010            | 2011        | Change        | 2010         | 2011        | Change       |
| <b>Gross Sales</b> |                 |             |               |              |             |              |
| Advice             | 13.4            | 17.8        | 32.1%         | 14.3         | 18.5        | 29.4%        |
| Deposit takers     | 13.6            | 14.8        | 8.6%          | 21.1         | 20.9        | (0.8%)       |
| Direct & other     | 1.2             | 1.0         | (19.4%)       | 1.3          | 1.0         | (22.2%)      |
| <b>Total</b>       | <b>28.3</b>     | <b>33.5</b> | <b>18.6%</b>  | <b>36.7</b>  | <b>40.5</b> | <b>10.2%</b> |
| <b>Net Sales</b>   |                 |             |               |              |             |              |
| Advice             | (1.1)           | 1.7         | N/M           | (1.5)        | 1.5         | N/M          |
| Deposit takers     | 2.7             | 3.8         | 43.6%         | (0.8)        | 3.1         | N/M          |
| Direct & other     | 0.3             | 0.3         | 8.0%          | 0.2          | 0.3         | 39.1%        |
| <b>Total</b>       | <b>1.9</b>      | <b>5.8</b>  | <b>205.2%</b> | <b>(2.1)</b> | <b>4.9</b>  | <b>N/M</b>   |

Source: Investor Economics, Insight Advisory Service, April 2011, pages 55 and 56 and July 2011, pages 47 and 48.

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

Deposit takers includes RBC (including Phillips, Hager and North), TD, CIBC (including CM/Talvest funds), BMO (including Guardian) Scotia, HSBC, Desjardins, National Bank, ATB Financial and NEI Investments.

# Operating Environment – Industry Sales Mix

- ♦ *The prevailing trend of net sales into balanced and income-oriented funds continued during Q2, 2011. Global equity funds were in net redemptions during the quarter.*

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

|                               | Q1, 2009 | Q2, 2009 | Q3, 2009 | Q4, 2009 | Q1, 2010 | Q2, 2010     | Q3, 2010 | Q4, 2010 | Q1, 2011 | Q2, 2011     |
|-------------------------------|----------|----------|----------|----------|----------|--------------|----------|----------|----------|--------------|
| Fixed income                  | (0.2)    | 2.1      | 3.5      | 10.1     | 6.6      | <b>1.5</b>   | 5.4      | 7.5      | 4.6      | <b>2.4</b>   |
| Balanced                      | (0.1)    | 0.7      | 1.1      | 1.7      | 3.3      | <b>1.1</b>   | 0.3      | 2.0      | 4.8      | <b>2.6</b>   |
| Domestic Equity               | 0.5      | (0.2)    | 0.1      | 0.0      | 2.0      | <b>(0.7)</b> | (0.9)    | (0.5)    | 2.6      | <b>0.9</b>   |
| Global & International Equity | (0.2)    | (0.7)    | (1.6)    | (0.8)    | (0.1)    | <b>(0.0)</b> | (2.1)    | (1.1)    | 2.3      | <b>(0.1)</b> |
| Long term                     | (0.0)    | 2.0      | 3.2      | 11.0     | 11.9     | <b>1.9</b>   | 2.8      | 7.9      | 14.4     | <b>5.8</b>   |
| Money market                  | 3.6      | (1.5)    | (3.9)    | (9.8)    | (5.0)    | <b>(4.0)</b> | (2.5)    | (3.4)    | (1.5)    | <b>(1.0)</b> |
| Total                         | 3.6      | 0.5      | (0.8)    | 1.2      | 6.9      | <b>(2.1)</b> | 0.3      | 4.5      | 12.9     | <b>4.9</b>   |

Source: Investor Economics, Insight Advisory Service

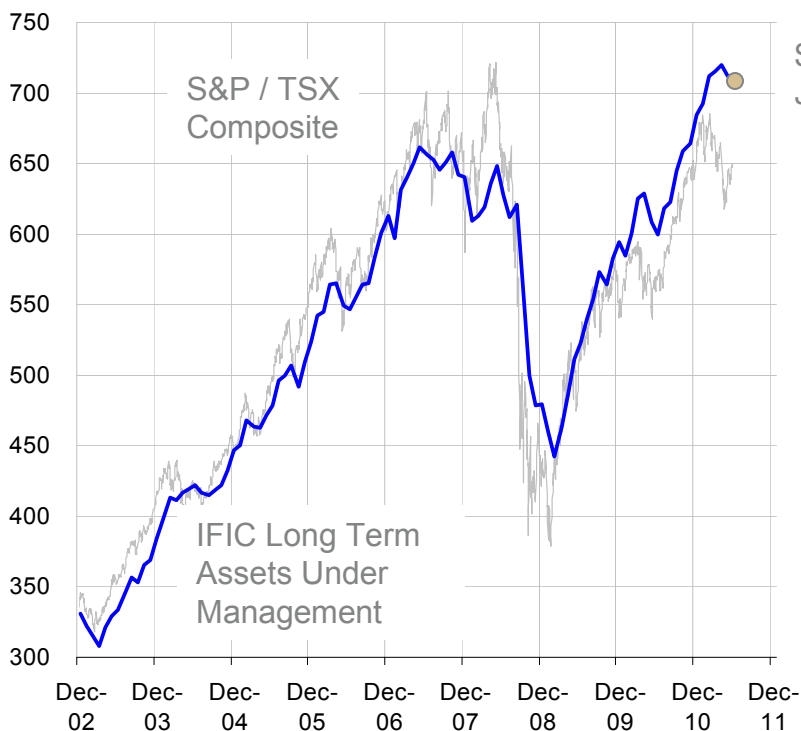
"Net Sales" reflects gross sales less redemptions and is presented by Investor Economics as "Net New Money".



# Operating Environment – Financial Markets

- During Q2, 2011, industry long term mutual fund assets under management declined by 0.7% as a result of declines in certain global equity markets.

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



|                              | Q2, 2011 | Q3, 2011 at Aug 3 |
|------------------------------|----------|-------------------|
| Mutual Fund Long Term Assets | (0.7%)   |                   |
| S&P / TSX Composite          | (5.8%)   | (3.6%)            |
| S&P 500                      | (0.4%)   | (4.6%)            |
| Dow Jones Industrial         | 0.8%     | (4.2%)            |
| Nasdaq Composite             | (0.3%)   | (2.9%)            |
| FTSE 100                     | 0.6%     | (6.1%)            |
| DAX                          | 4.8%     | (10.0%)           |
| Nikkei 225                   | 0.6%     | (1.8%)            |
| US dollar relative to CAD    | (0.7%)   | (0.1%)            |
| Euro relative to CAD         | 1.7%     | (1.4%)            |

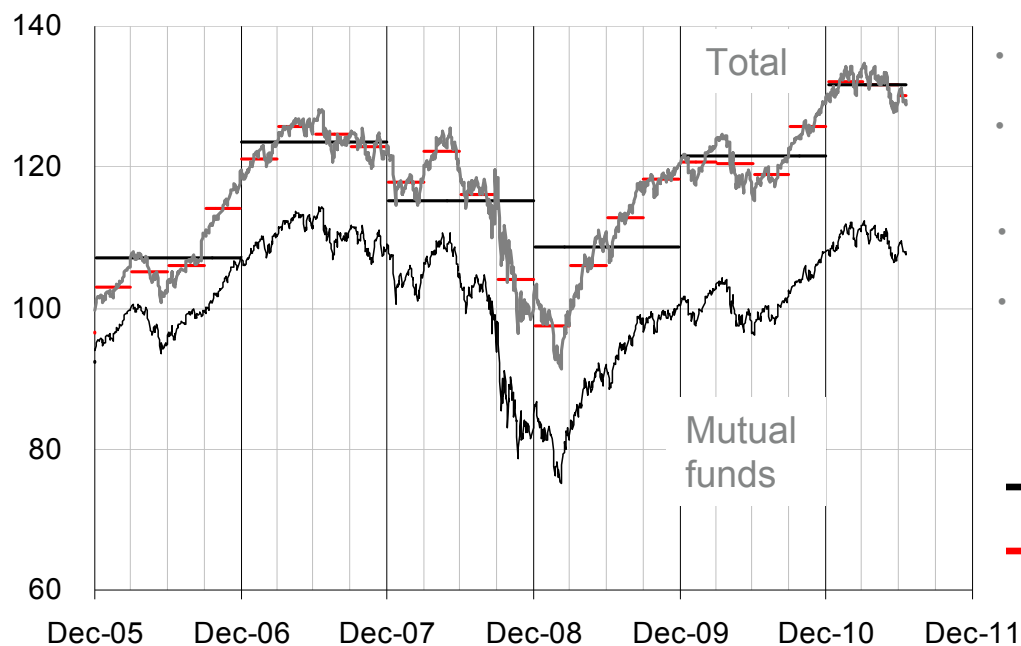


Mutual fund industry reflects IGM estimates and excludes CI Investments, Invesco and Sceptre.  
All index returns are local market returns

# IGM Financial Highlights – Assets Under Management

- Average total assets under management increased by 9.5% during Q2, 2011 relative to Q2, 2010 and were unchanged relative to Q1, 2011.
- Average mutual fund assets under management increased by 9.3% during Q2, 2011 relative to Q2, 2010 and were unchanged relative to Q2, 2010.

## Assets Under Management (\$ Billions) <sup>1</sup>



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

|                          | Total | Mutual funds |
|--------------------------|-------|--------------|
| • \$130.2 at Jun. 30     |       |              |
| • \$128.1 at Jul. 31     |       |              |
| Q2, 2011                 | 132.0 | 109.9        |
| Q2, 2011 versus Q2, 2010 | 9.5%  | 9.3%         |
| Q2, 2011 versus Q1, 2011 | 0.1%  | (0.1%)       |
| • \$108.6 at Jun. 30     |       |              |
| • \$106.7 at Jul. 31     |       |              |
| Q2, 2010                 | 120.6 | 100.5        |
| Q1, 2011                 | 131.9 | 110.0        |

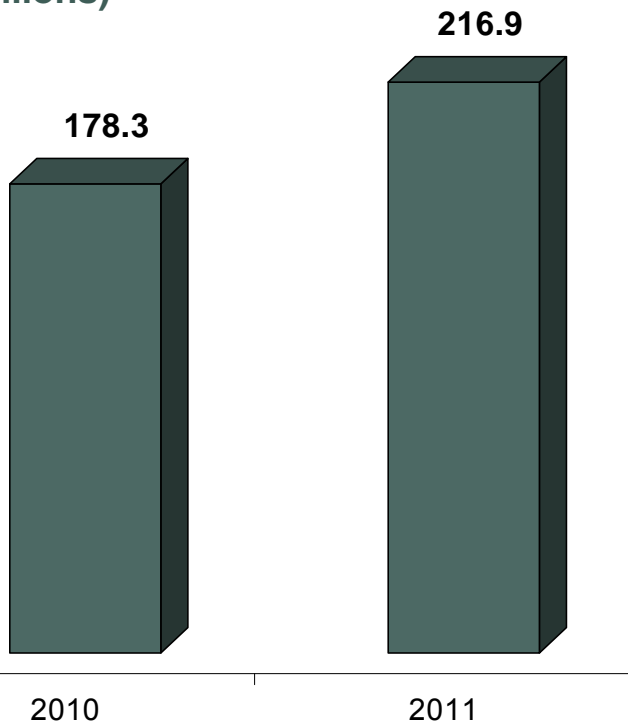
— Annual Average  
— Quarterly Average

1. Includes institutional assets of Cundill Group effective September 22, 2006 (\$3.3 billion at time of acquisition); Saxon effective September 25, 2008 (\$1.8 billion in mutual funds and \$10.4 billion in institutional); Titan Funds effective November 1, 2010 (\$128 million at time of acquisition)

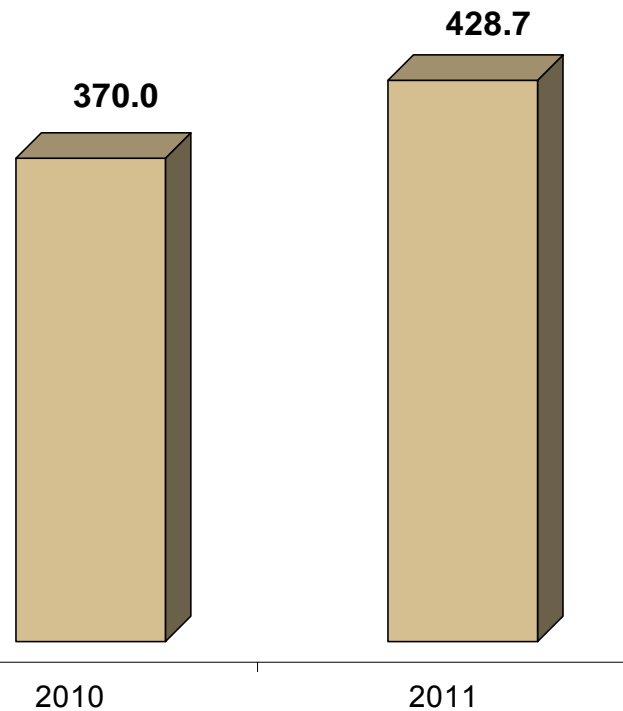
# IGM Financial Highlights – Net Earnings

- *IGM Financial's Net Earnings increased by 21.7% during Q2, 2011 relative to Q2, 2010 and increased by 15.9% year to date.*

Net Earnings  
Three Months ended June 30  
(\$ Millions)



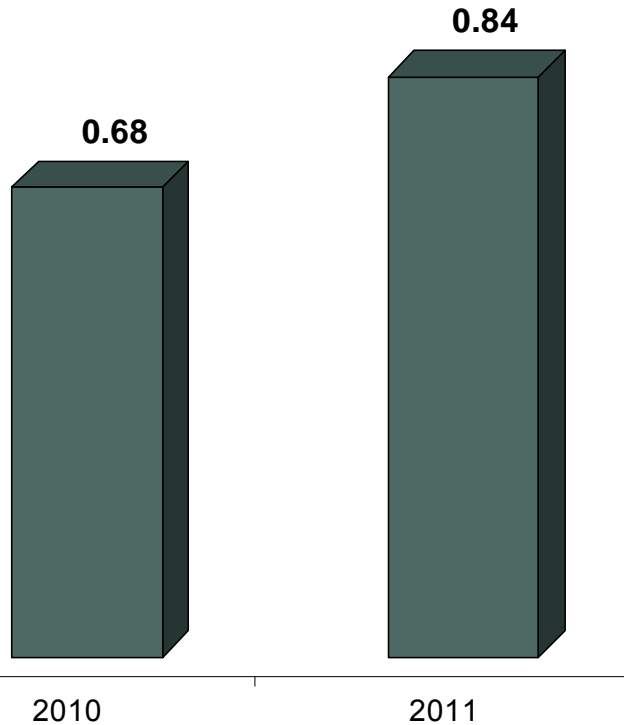
Net Earnings  
Six Months ended June 30  
(\$ Millions)



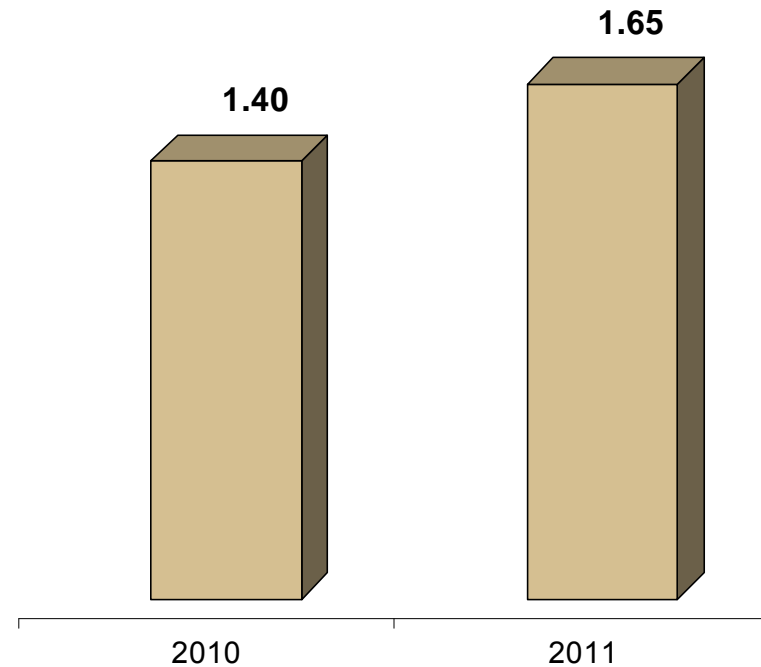
# IGM Financial Highlights – Net Earnings Per Share

- ♦ *IGM Financial's Net Earnings Per Share increased by 23.5% during Q2, 2011 relative to Q2, 2010 and increased by 17.9% year to date.*

Net Earnings Per Share (Diluted)  
Three Months ended June 30  
(\$)



Net Earnings Per Share (Diluted)  
Six Months ended June 30  
(\$)





1. Highlights

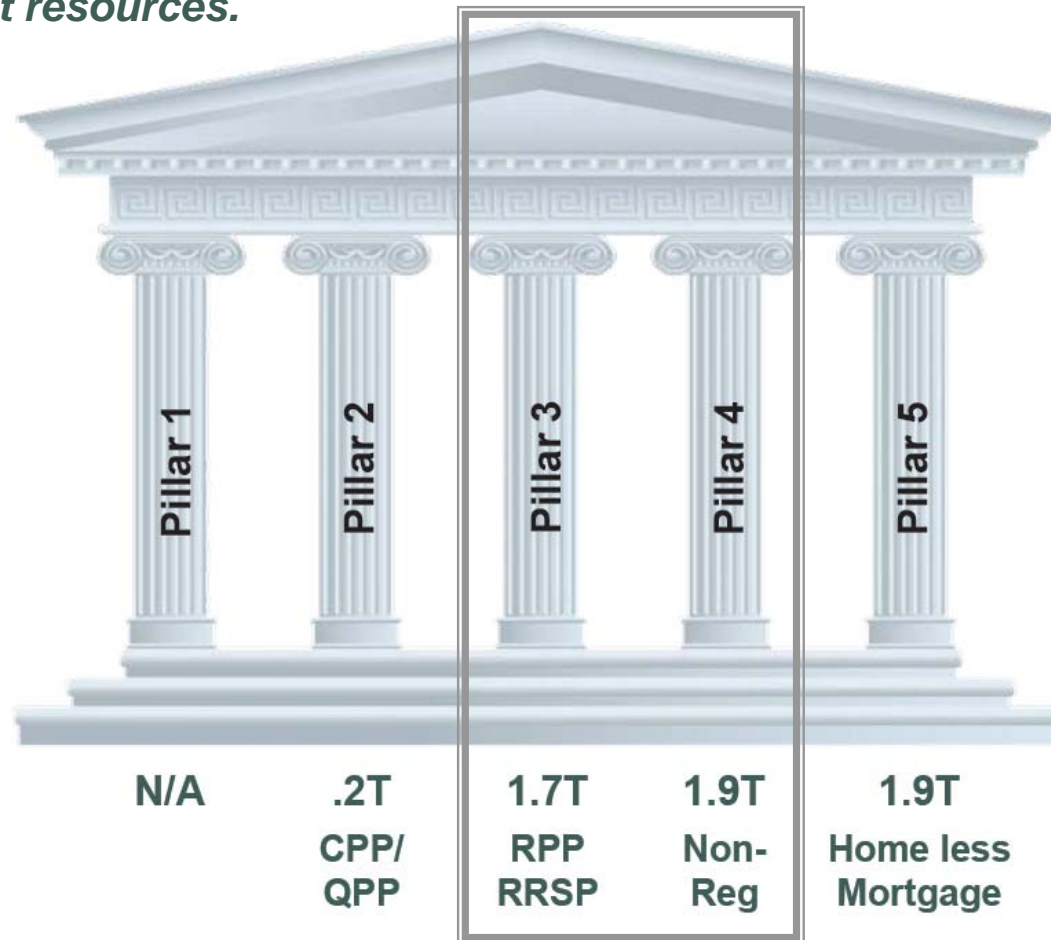
**2. Value of Advice**

3. Investors Group

4. Mackenzie

# Five Pillars of Retirement Resources

- IGM Financial has encouraged research and discussion on the Canadian retirement system, including full consideration of all five pillars of retirement resources.*



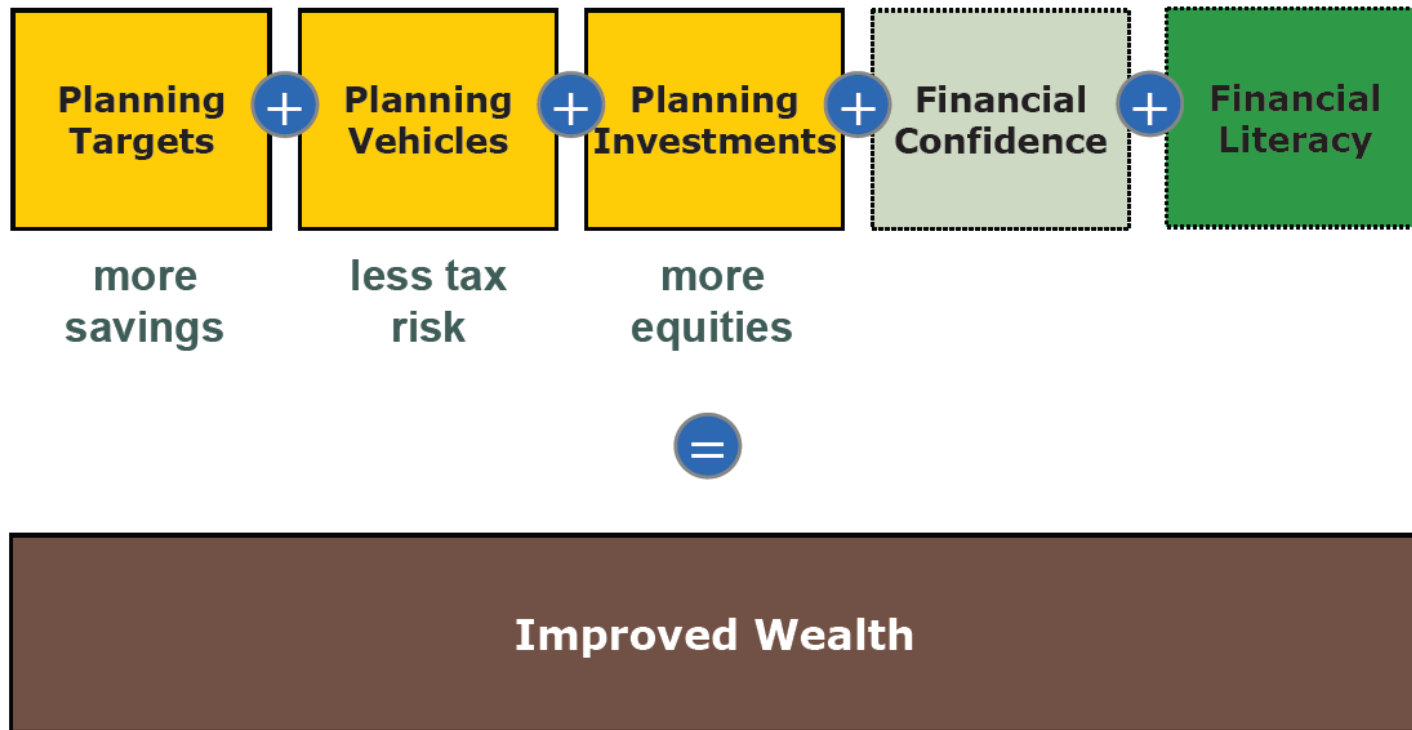
*Value of Advice*



Sources: CPPIB; Caisse des dépôts et placements; Statistics Canada; Department of Finance of Canada; Investors Economics – Q4, 2009

# Financial Advice – Components of Value

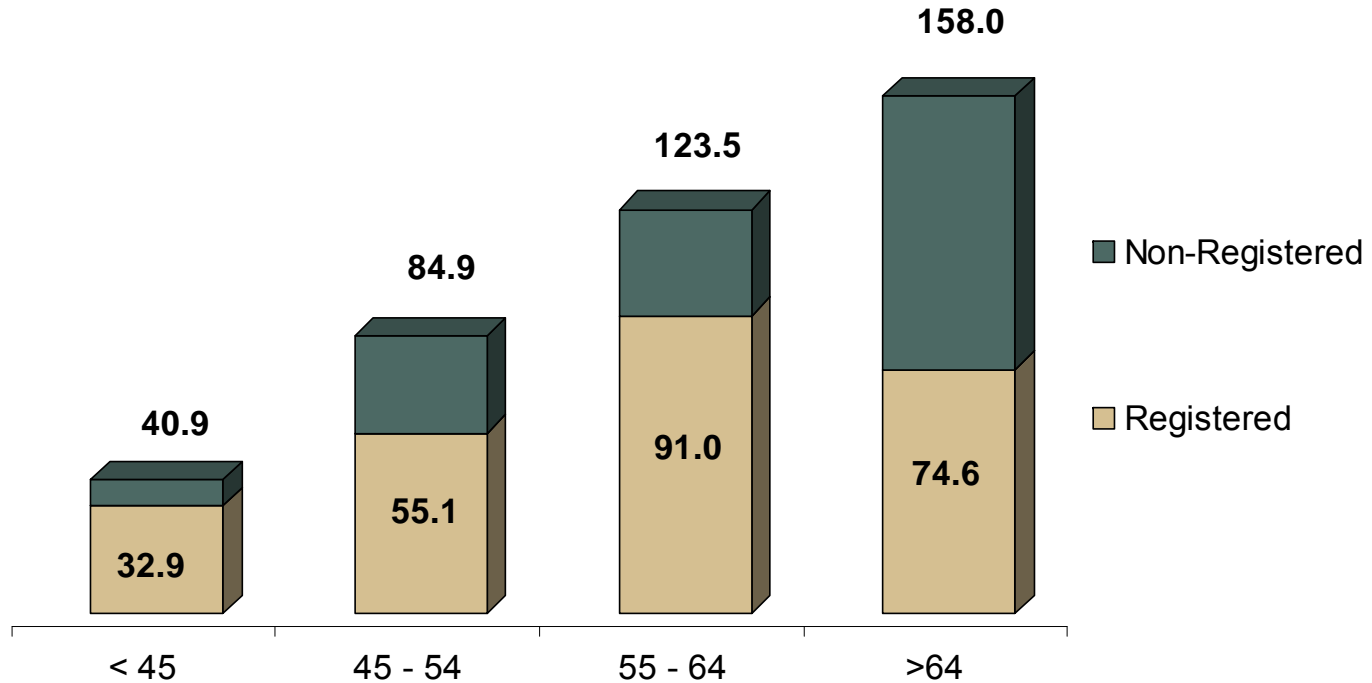
- ◆ *Three key areas of planning encouraged by financial advisors help Canadians increase net worth.*



# Registered and Non-Registered Assets by Age

- As Canadians get older, they increase their savings for retirement. Older Canadians have a greater share of non-registered investments as pension and RRSP limits are reached.

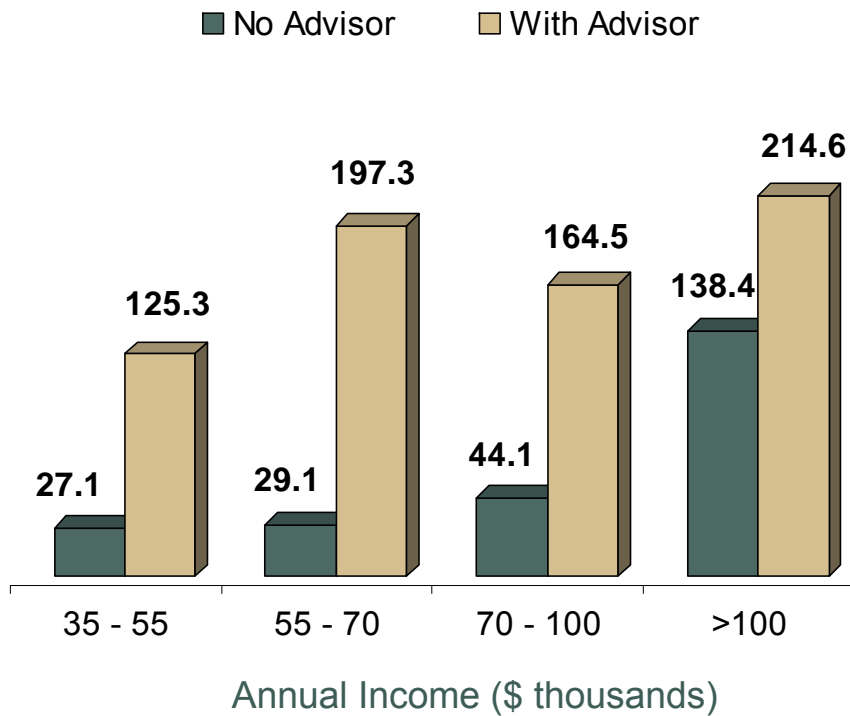
Canadian Household Average Investment Assets  
(\$ thousands)



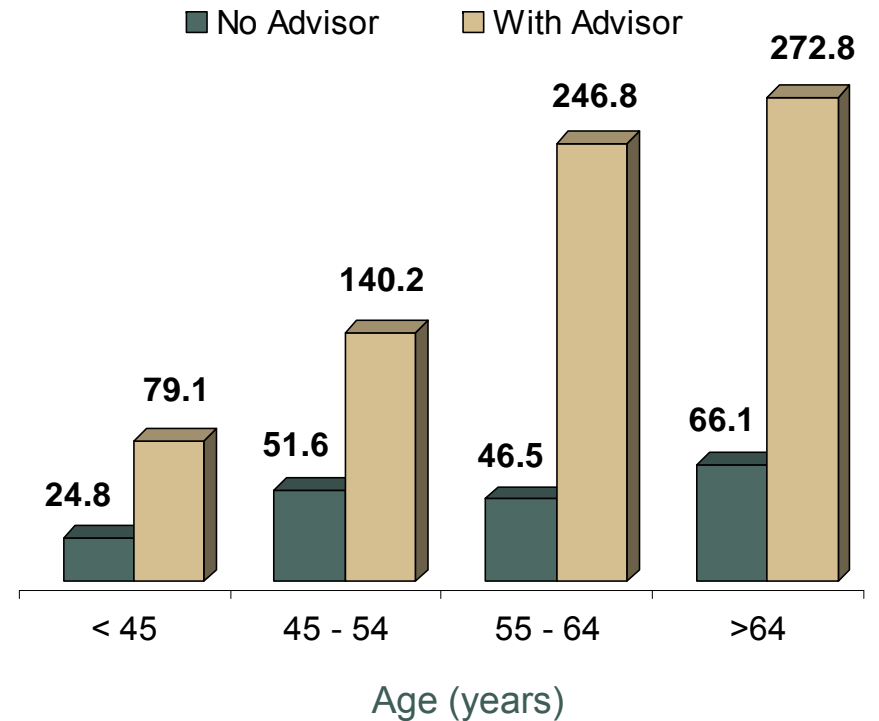
# Households with Advisors have Substantially More Financial Assets

- Regardless of age or income, multiples of 3 to 5 times the invested assets exist where households have a financial advisor relative to those who do not.

Canadian Household Income versus Average Investment Assets (\$ thousands)



Canadian Household Age versus Average Investment Assets (\$ thousands)





1. Highlights

2. Value of Advice

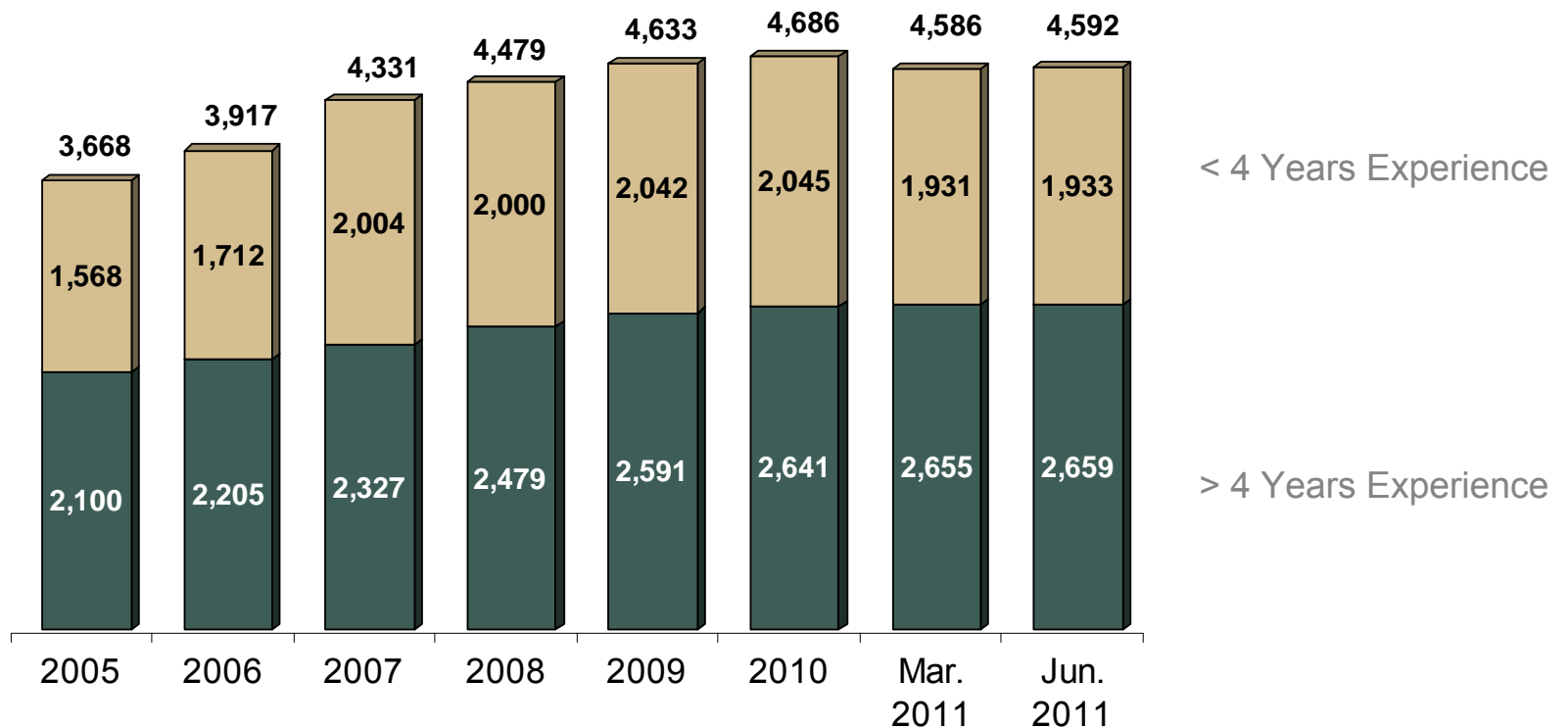
- 3. Investors Group**

4. Mackenzie

# Investors Group Consultant Network

- ◆ *The number of Consultants increased to 4,592 during the second quarter of 2011.*

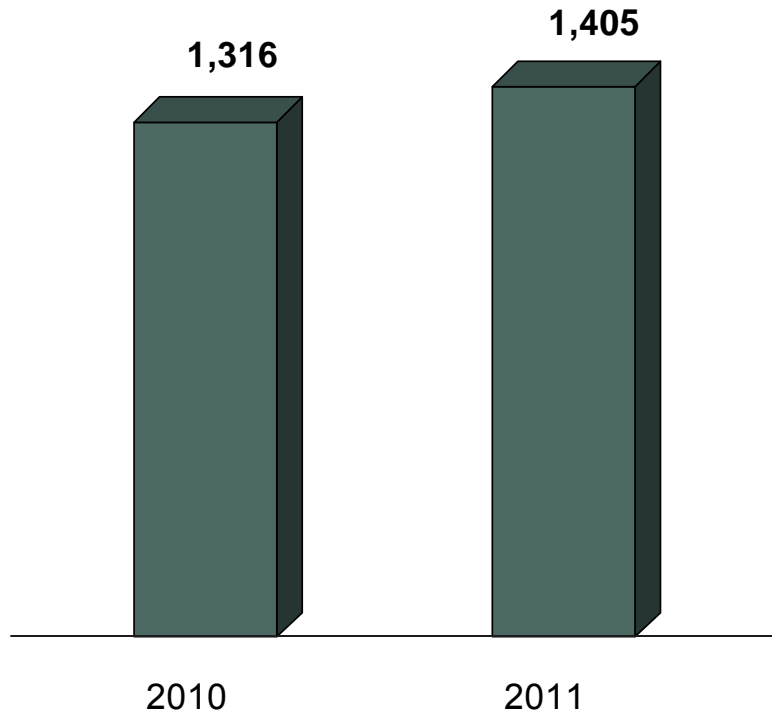
Number of Investors Group Consultants  
As at December 31 (unless otherwise indicated)



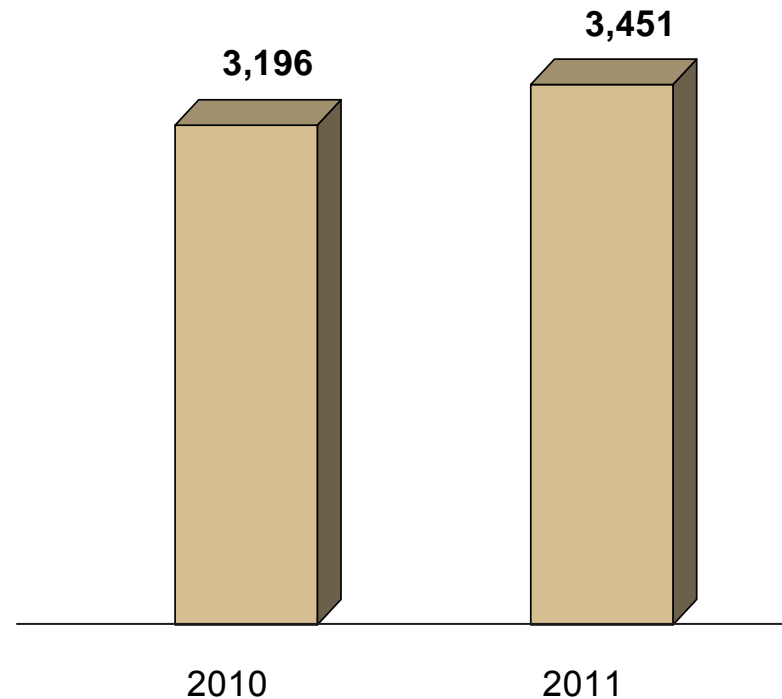
# Investors Group Mutual Fund Gross Sales

- Investors Group had gross sales of \$1.4 billion during the Q2, 2011, up 6.7% relative to Q2, 2010.

Three months ended June 30  
(\$ Millions)



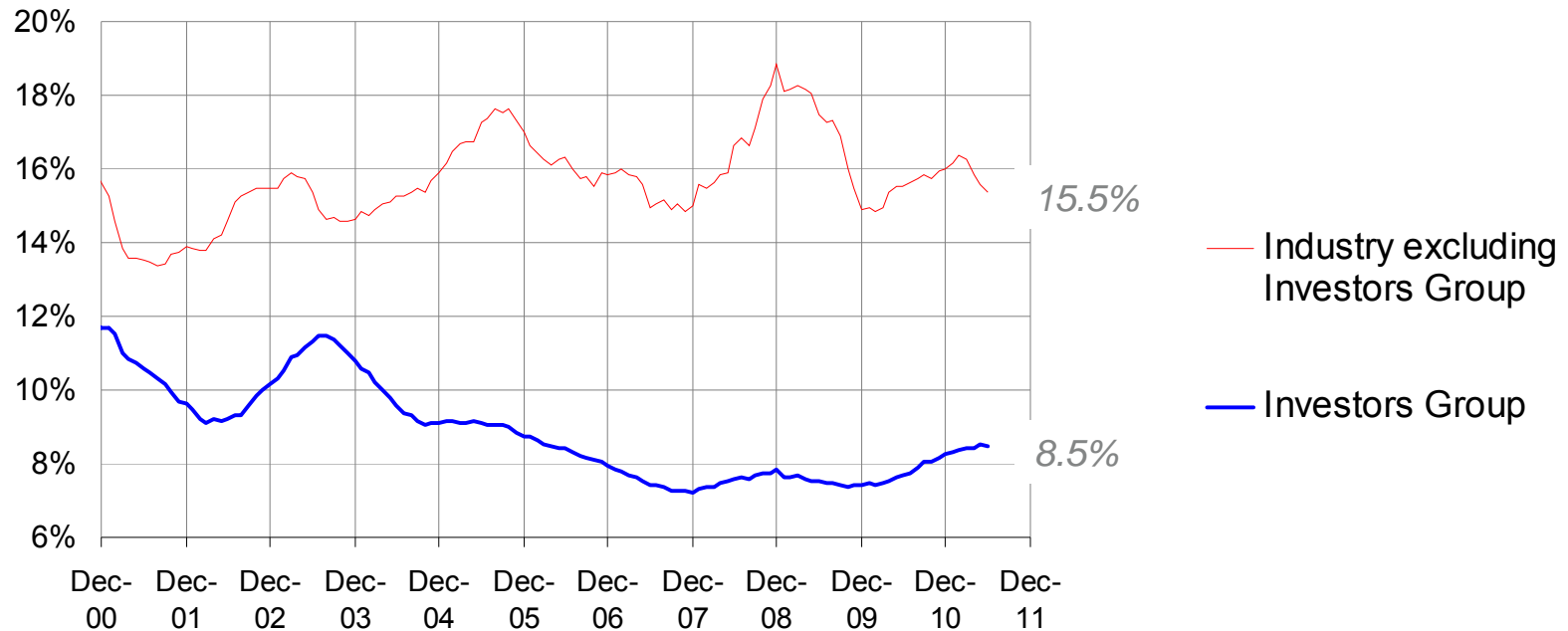
Six months ended June 30  
(\$ Millions)



# Investors Group Mutual Fund Redemption Rate

- Investors Group's twelve month trailing redemption rate on long term mutual funds was 8.5% at June 30, 2011, approximately half of the industry average.

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

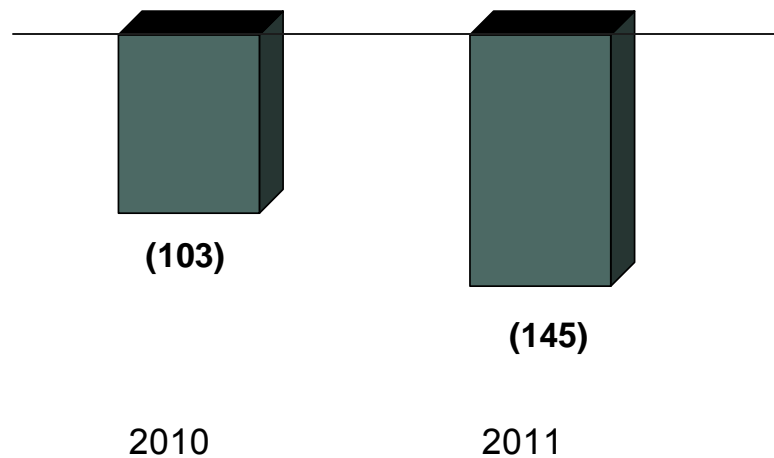


1. All numbers exclude CI Investments and Invesco from the date that they discontinued reporting to IFIC. CI discontinued reporting to IFIC during December, 2008 and Invesco discontinued reporting to IFIC during October, 2010.

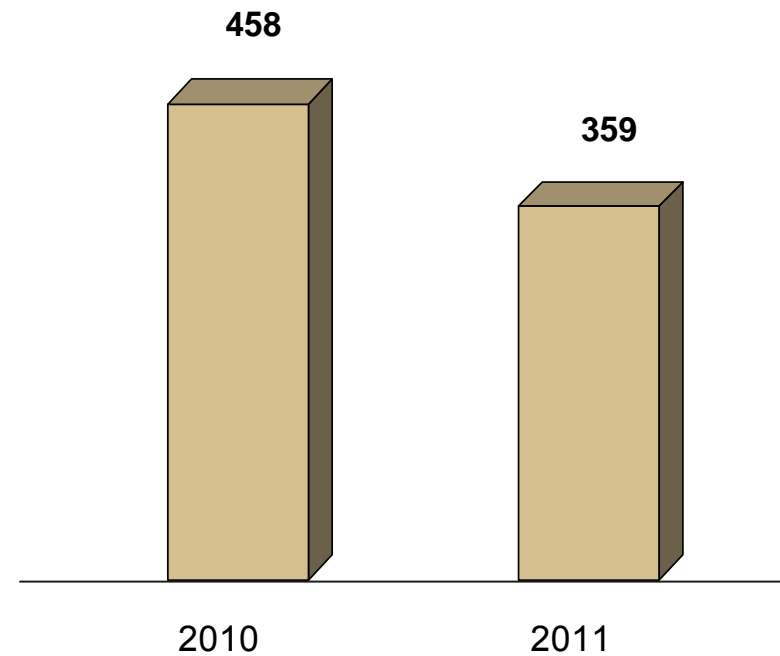
# Investors Group Mutual Fund Net Sales

- Investors Group has had net sales of \$359 million year to date 2011, compared to \$458 million during 2010.

Three months ended June 30  
(\$ Millions)



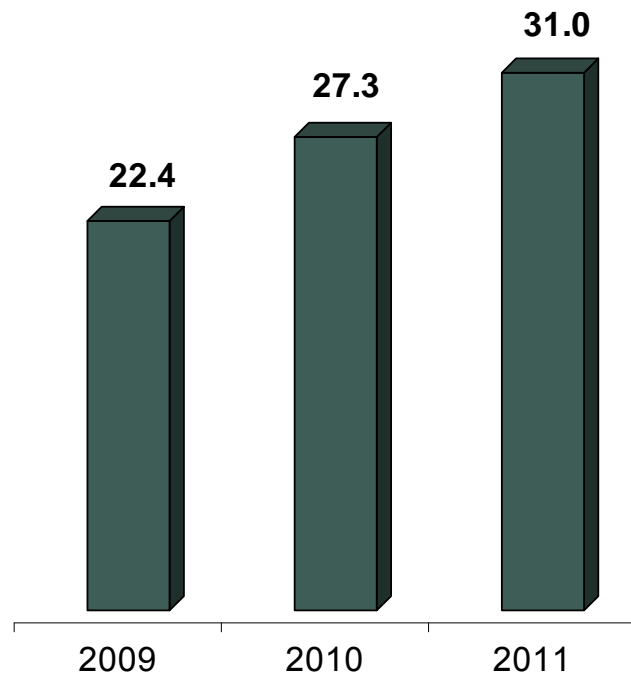
Six months ended June 30  
(\$ Millions)



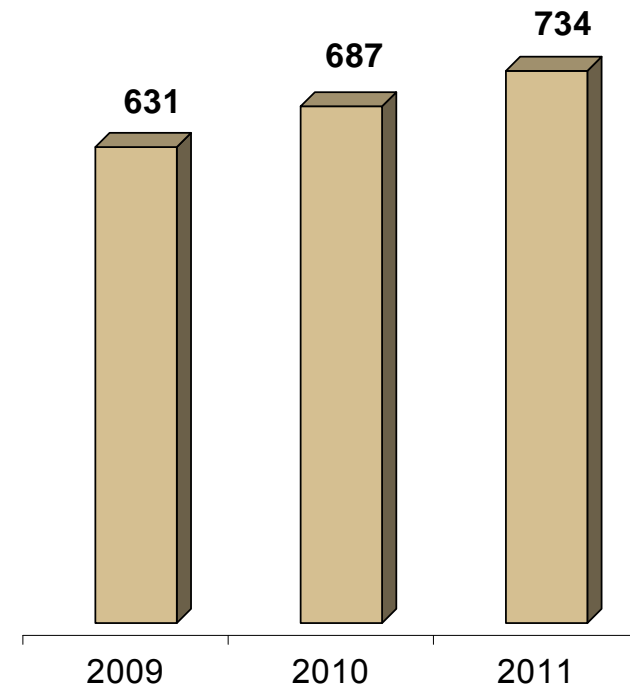
# Insurance and Mortgage Distribution

- ◆ *Investors Group insurance product sales increased by 13.5% during the first half of 2011 and mortgage originations were up 6.8%*

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



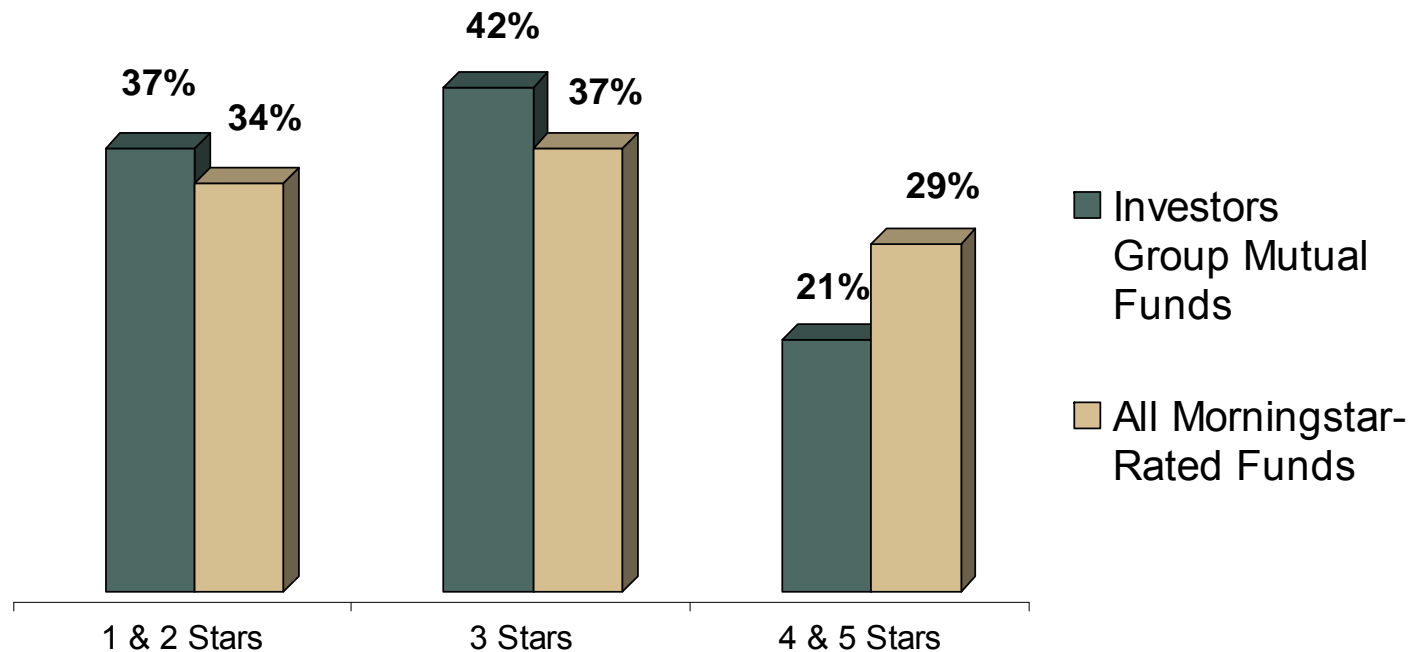
Mortgages Originations  
Six months ended June 30 (\$ Millions)



# Investors Group Investment Performance

- ♦ *63% of mutual funds managed by Investors Group (Masterseries, partner and portfolio funds) were rated 3, 4 or 5 star by Morningstar at June 30, 2011, compared to 66% for all Morningstar-rated funds.*

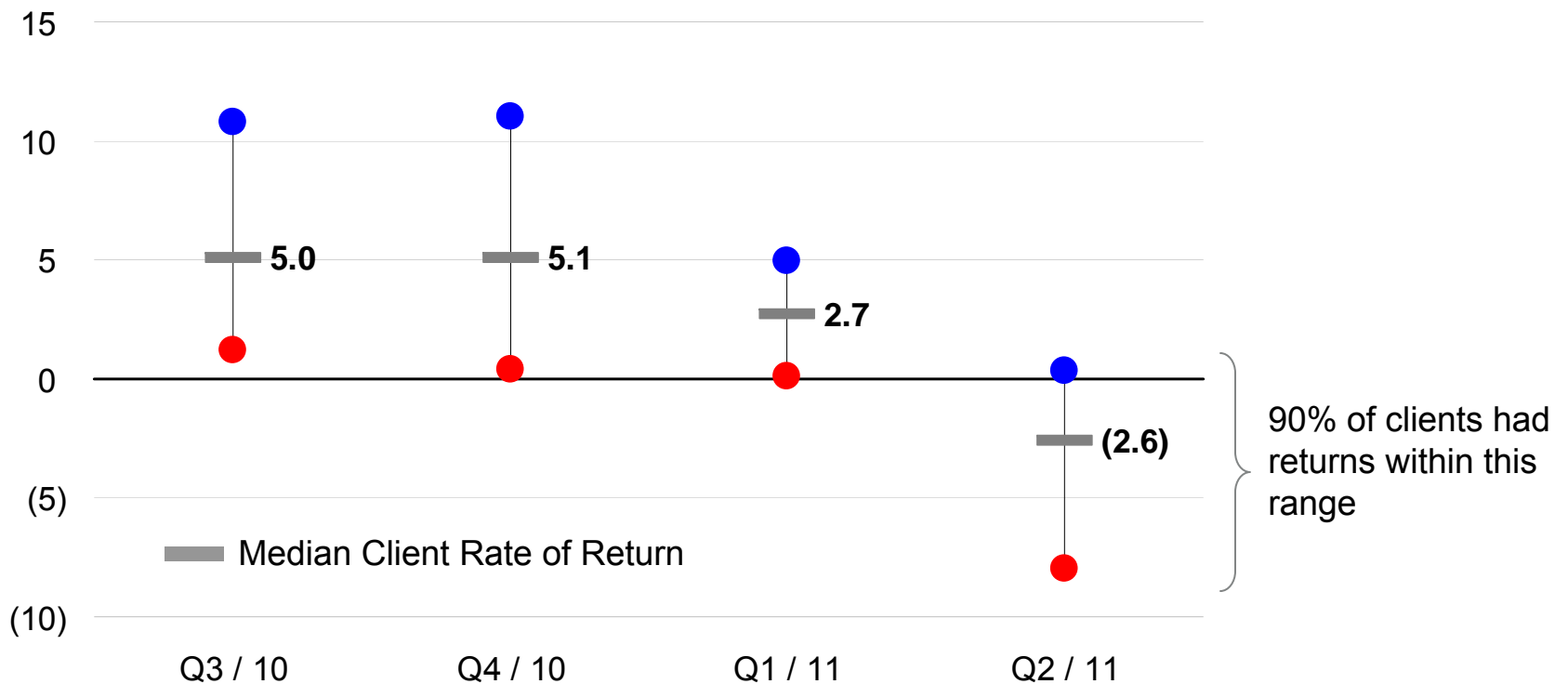
Morningstar Ratings as at June 30, 2011  
Proportion of Morningstar-rated funds



# Investors Group Client Experience

- ◆ *Different clients experience different returns based upon portfolio composition and net contributions.*
- ◆ *The median client return over the last twelve months was approximately 12%.*

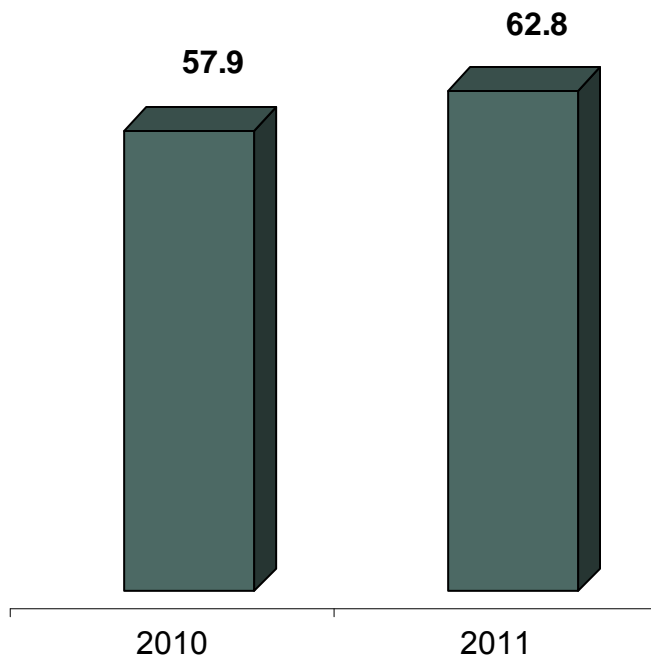
Investors Group Client Rate of Return (%)



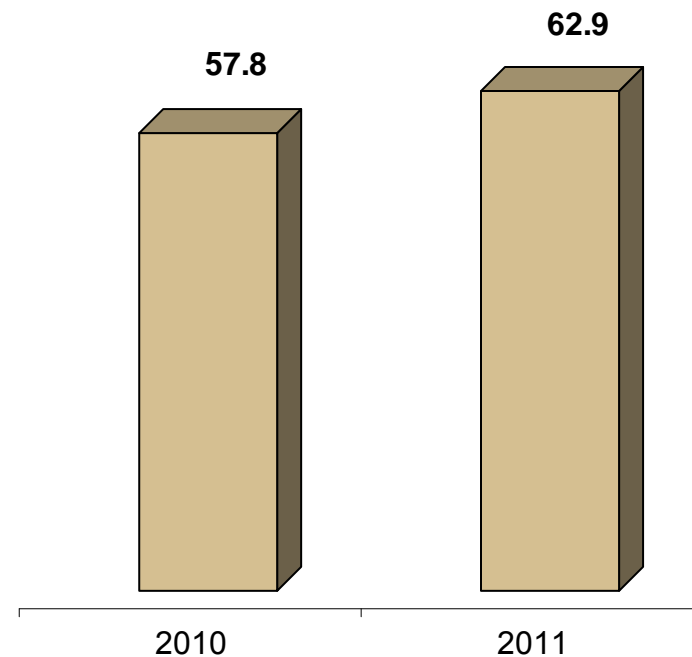
# Investors Group Mutual Fund Assets Under Management

- ♦ *The average balance of mutual fund assets under management increased by 8.6% during Q2, 2011 relative to Q2, 2010 and increased by 8.9% year to date.*

Average Assets Under Management  
Three months ended June 30  
(\$ Billions)



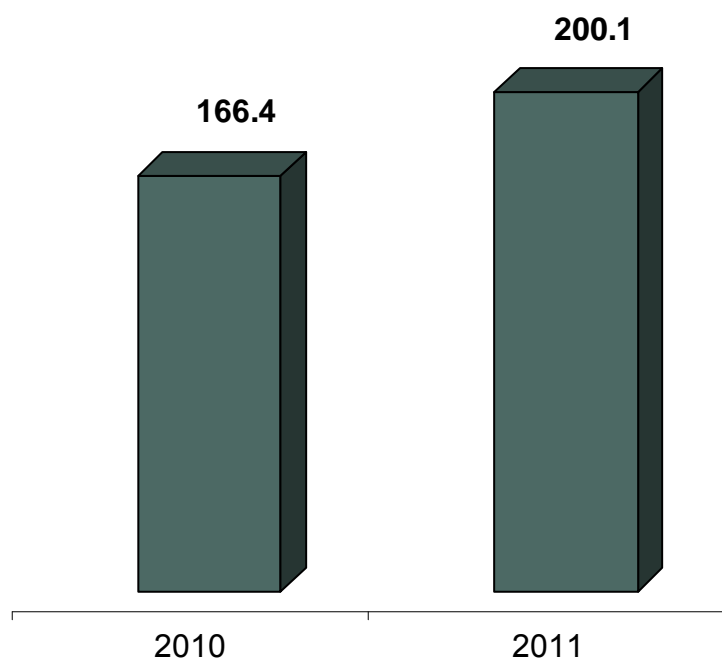
Average Assets Under Management  
Six months ended June 30  
(\$ Billions)



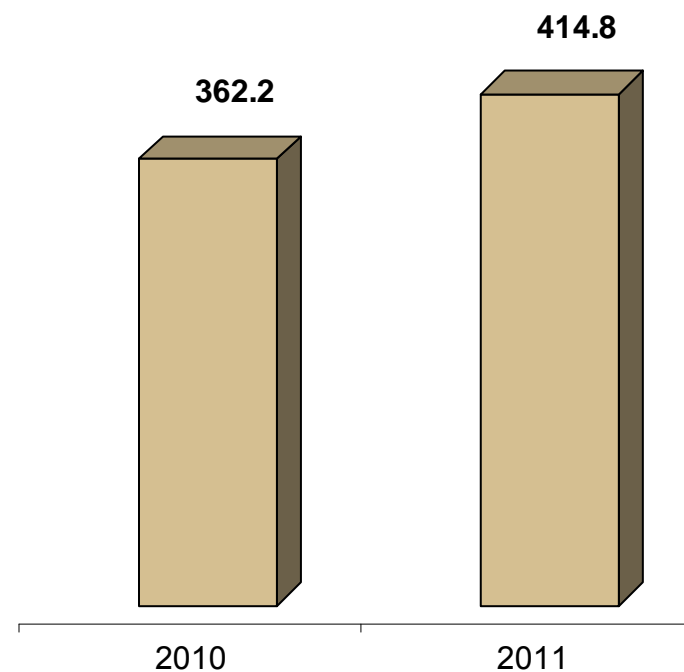
# Investors Group Earnings before Interest & Taxes

- ◆ *Investors Group's Earnings before Interest & Taxes increased by 20.3% during Q2, 2011 relative to Q2, 2010, and increased by 14.5% year to date.*

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



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



# Investors Group Earnings before Interest & Taxes

- ◆ *Investors Group's Earnings before Interest & Taxes were \$200.1 million during Q2, 2011, an increase of 20.3% relative to Q2, 2010.*

| Three months ended June 30<br>(\$ Millions, unless otherwise indicated) | 2010                | 2011                | Change |
|---|---------------------|---------------------|--------|
| Average mutual fund assets under management (\$ billions)               | 57.9                | 62.8                | 8.6%   |
| Revenues  |                     |                     |        |
| Management fees   | 275.7               | 298.7               | 8.3%   |
| Administration fees   | 54.6                | 58.3                | 6.8%   |
| Distribution fees   | 44.9                | 47.3                | 5.3%   |
|   | <u>375.2</u>        | <u>404.3</u>        | 7.8%   |
| Net investment income and other   | <u>(6.2)</u>        | <u>12.8</u>         | N/M    |
| Total   | 369.0               | 417.1               | 13.0%  |
| Expenses  |                     |                     |        |
| Commission amortization   | 45.1                | 45.3                | 0.5%   |
| Other commissions   | 73.9                | 79.6                | 7.7%   |
| Commissions   | <u>119.0</u>        | <u>124.9</u>        | 5.0%   |
| Non-commission  | <u>83.6</u>         | <u>92.1</u>         | 10.2%  |
| Total   | 202.6               | 217.0               | 7.1%   |
| Earnings before interest and taxes                                      | <u><b>166.4</b></u> | <u><b>200.1</b></u> | 20.3%  |
| EBIT (excluding net investment income and other)                        | 172.6               | 187.3               | 8.5%   |

# Investors Group Developments

## 1. Consultant Network


- Continued expansion of the Consultant Network with two new region offices announced (Drummondville and London) resulting in a total of 103 region offices.
- Investors Group refined its selection and recruitment practices during the first quarter of 2011 which will be beneficial to the future growth of the Consultant Network.
  - This change resulted in a slight short-term reduction in the number of Consultant appointments and a reduction in total Consultants during Q1, 2011.
  - During Q2, 2011 Consultant appointments increased relative to Q1, 2011 and Consultant terminations were lower compared to both Q1, 2011 and Q2, 2010.
- A slight increase in the total number of Consultants occurred during Q2, 2011.

## 2. New fixed income fund launched

- Launched the Investors Canadian Corporate Bond Fund on May 3, 2011. This fund will invest primarily in investment grade fixed income securities, along with high yield debt securities and mortgages.

## 3. Community Involvement

- 2011 Humanitarian Corporate Organization of the Year awarded to Investors Group by Canadian Red Cross and the Corporate Community Involvement Award was awarded by Imagine Canada.

- 
1. Highlights
  2. Value of Advice
  3. Investors Group

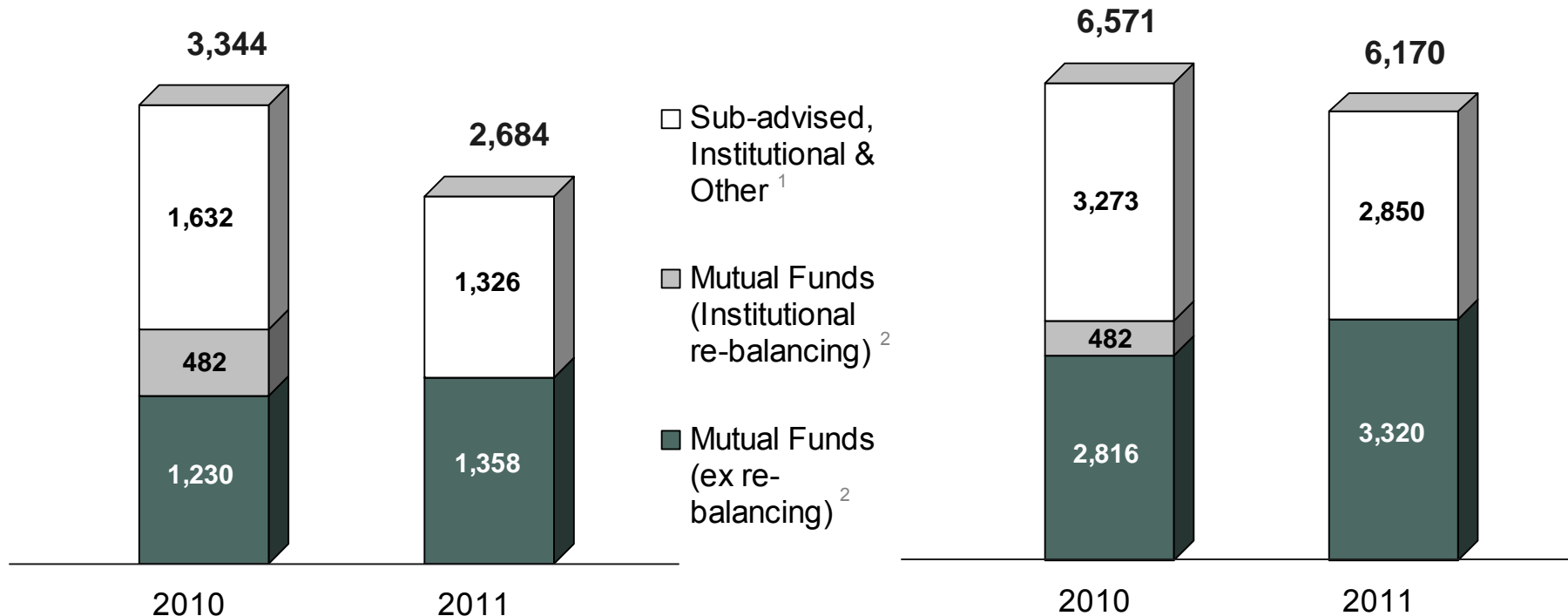
**4. Mackenzie**

# Mackenzie Gross Sales

- *Mackenzie had gross sales of investment products of \$2.7 billion during the second quarter of 2011 and \$6.2 billion year to date.*

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

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

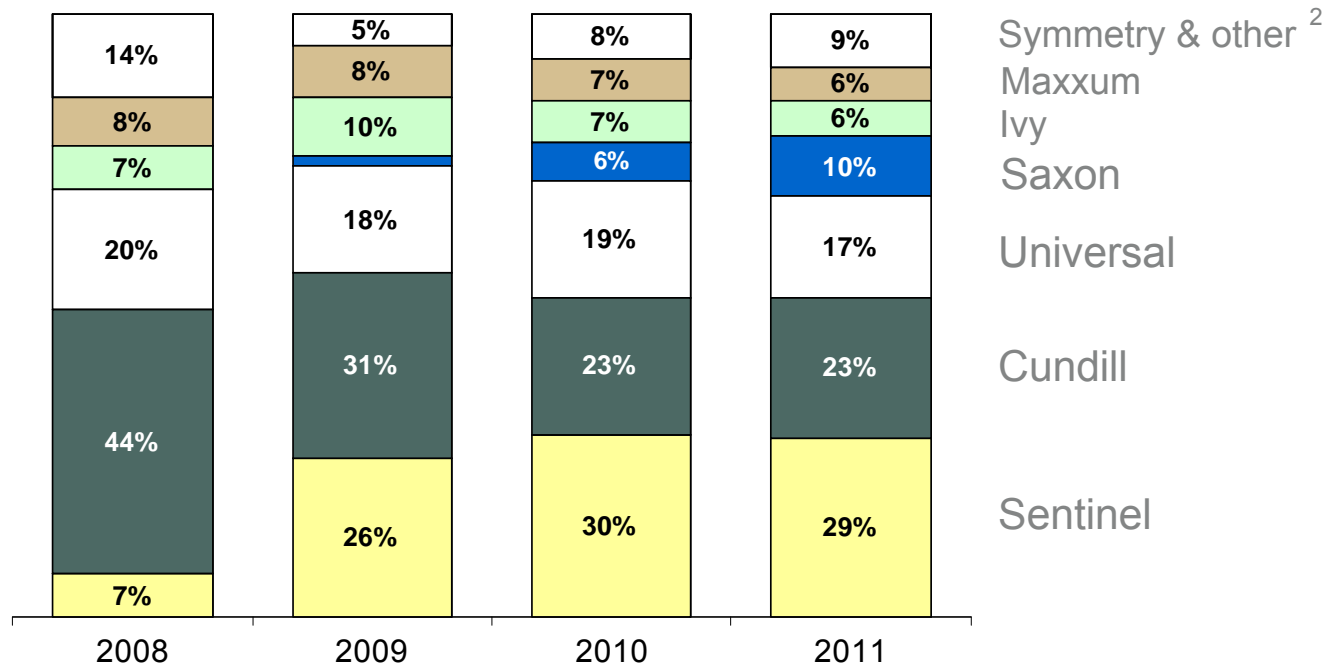


1. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel.  
 2. Q2, 2010 includes \$482 million in mutual fund gross sales related to an institutional re-balancing.

# Mackenzie Mutual Fund Gross Sales

- ◆ *Mackenzie's Sentinel sub-brand continued to experience strong flows during Q2, 2011 and sales momentum in the Saxon sub-brand continued.*

Gross Sales Mix of Long Term Mutual Funds by Mackenzie Sub-Brand <sup>1</sup>  
 Three month periods ended June 30



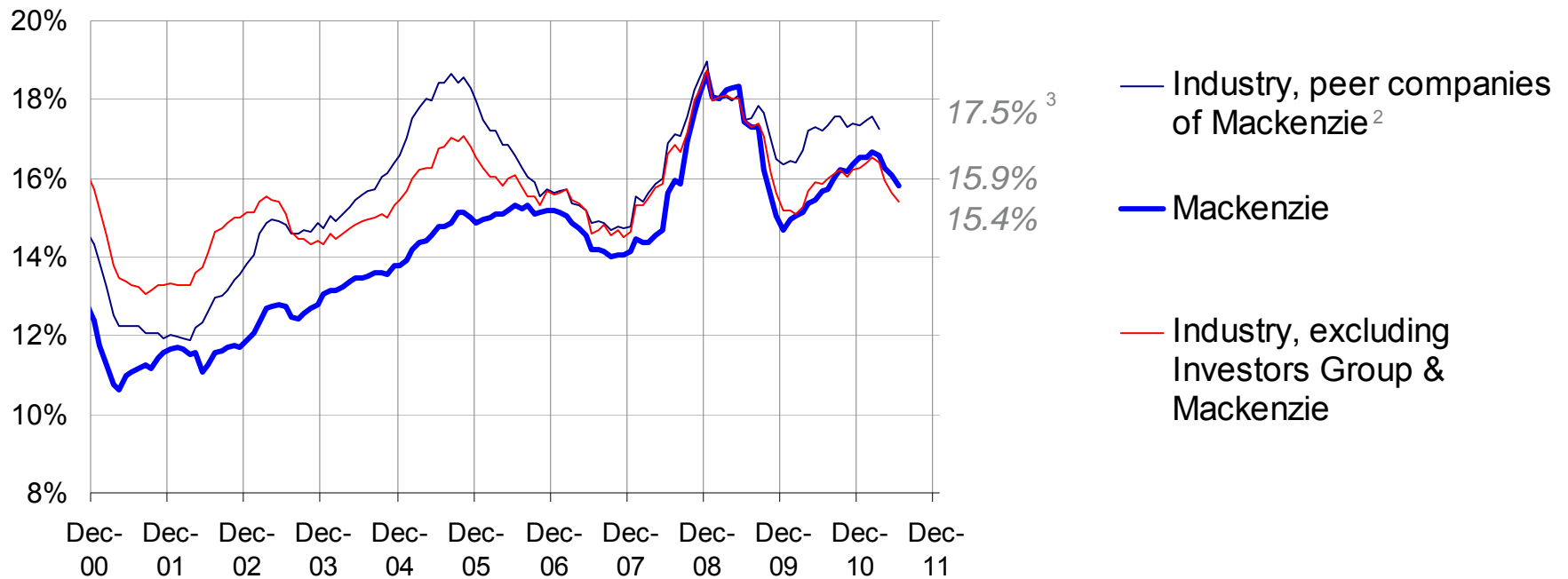
1. Excludes Quadrus Funds  
 2. Includes Symmetry, Destination Funds, Founders Funds and other funds



# Mackenzie Mutual Fund Redemption Rate

- *Mackenzie's twelve month trailing redemption rate on long term mutual funds was 15.9% at June 30, 2011.*

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

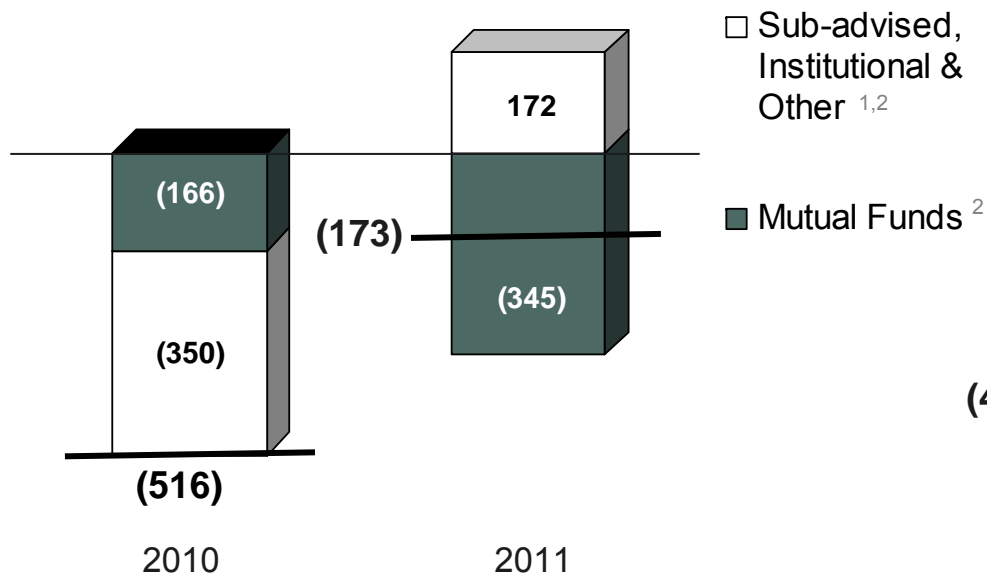


1. All numbers have been restated to exclude CI Investments and Invesco at the time that they discontinued reporting to IFIC. CI discontinued reporting to IFIC during December, 2008 and Invesco discontinued reporting to IFIC October, 2010.  
 2. Excludes Mackenzie, Investors Group, deposit takers and direct distributors.  
 3. Twelve month trailing redemption rate as of March 31, 2011.

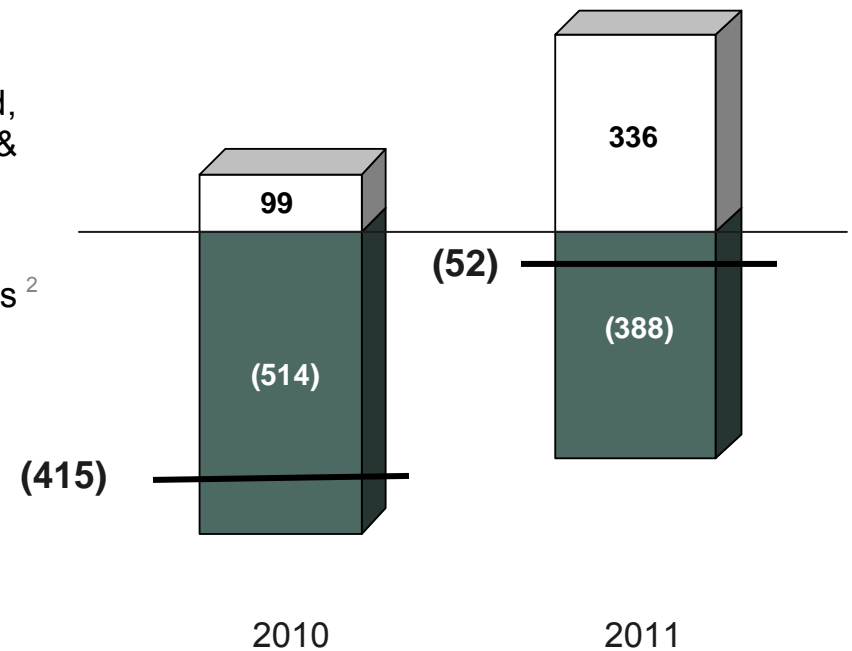
# Mackenzie Net Sales

- *Mackenzie had net redemptions of \$173 million during the second quarter of 2011 and \$52 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)**

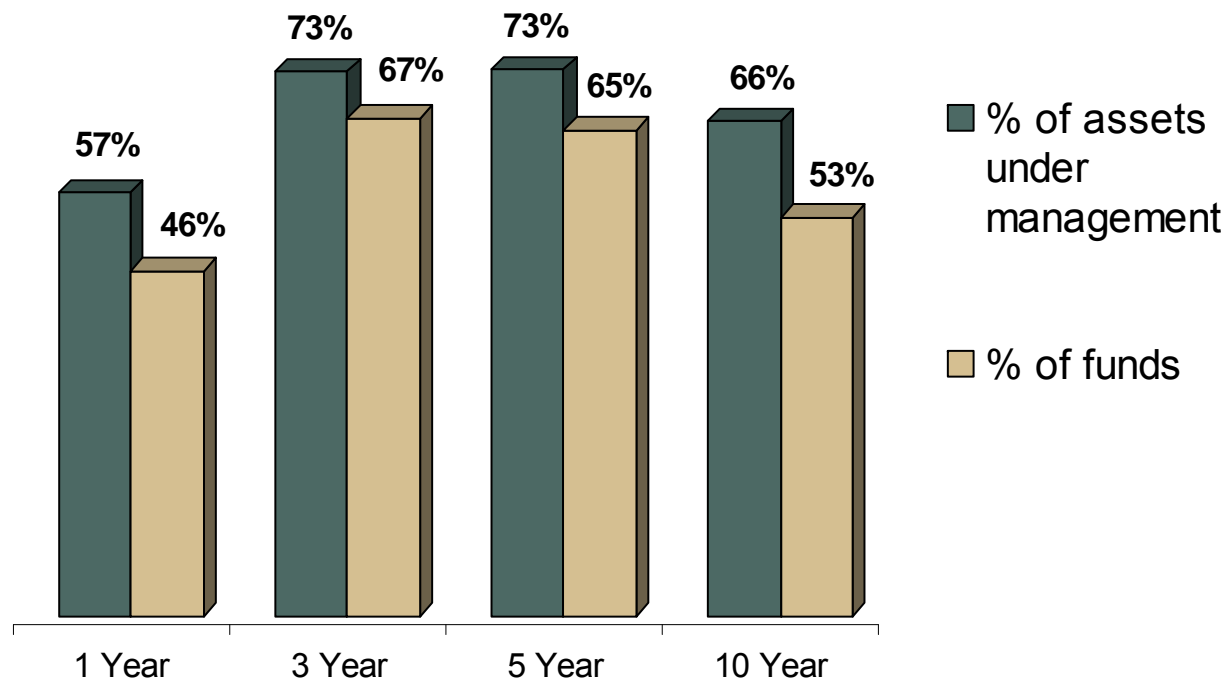


1. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel.
2. Q2, 2010 includes \$60 million in net sales related to an institutional re-balancing (\$411 million net sales to mutual funds and \$351 million net redemptions from institutional).

# Mackenzie Investment Performance

- ♦ *73% of Mackenzie's assets reside within funds which have had first or second quartile performance over the last five years.*

Mackenzie Mutual Funds in First or Second Quartile  
As at June 30, 2011

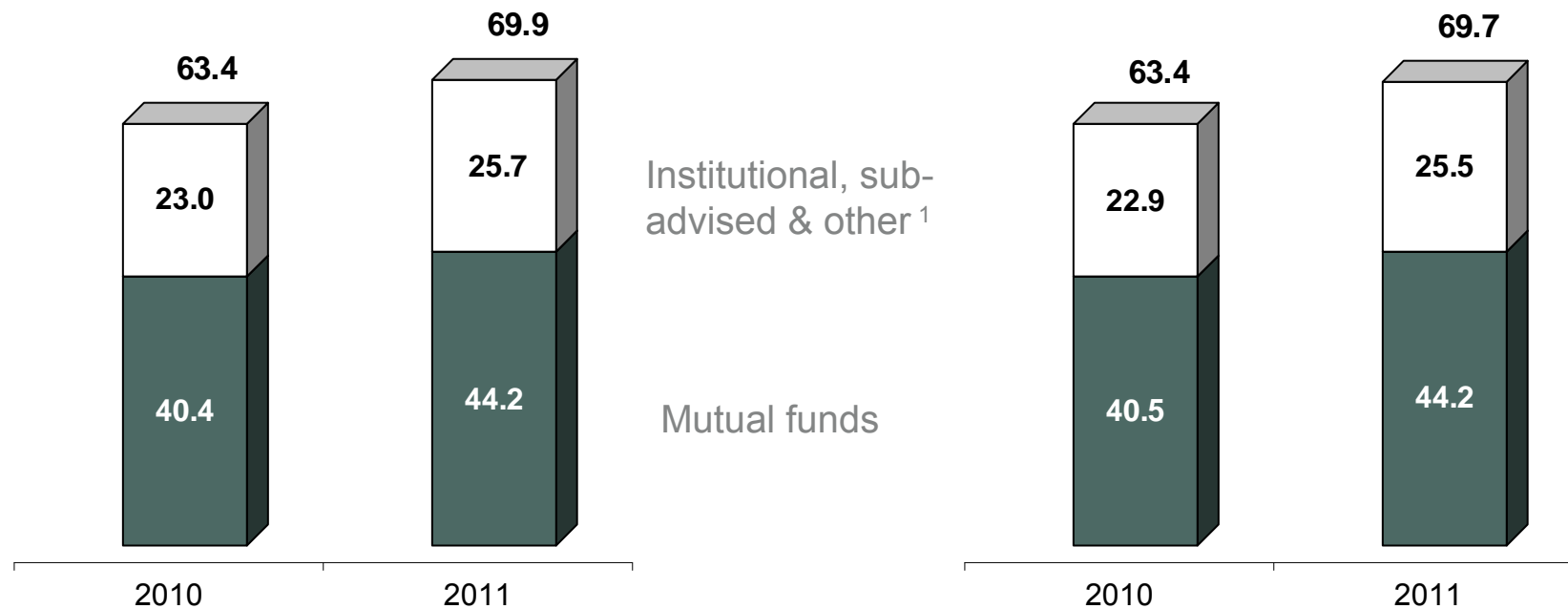


# Mackenzie Assets Under Management

- *The average balance of total assets under management increased by 10.3% during Q2, 2011 relative to Q2, 2010, average mutual fund assets increased by 9.3%.*
- *The average balance of total assets under management increase by 9.9% during 2011 relative to 2010, average mutual fund assets increased by 9.2%.*

Average Assets Under Management (\$ Billions)  
Three months ended June 30

Average Assets Under Management (\$ Billions)  
Six months ended June 30

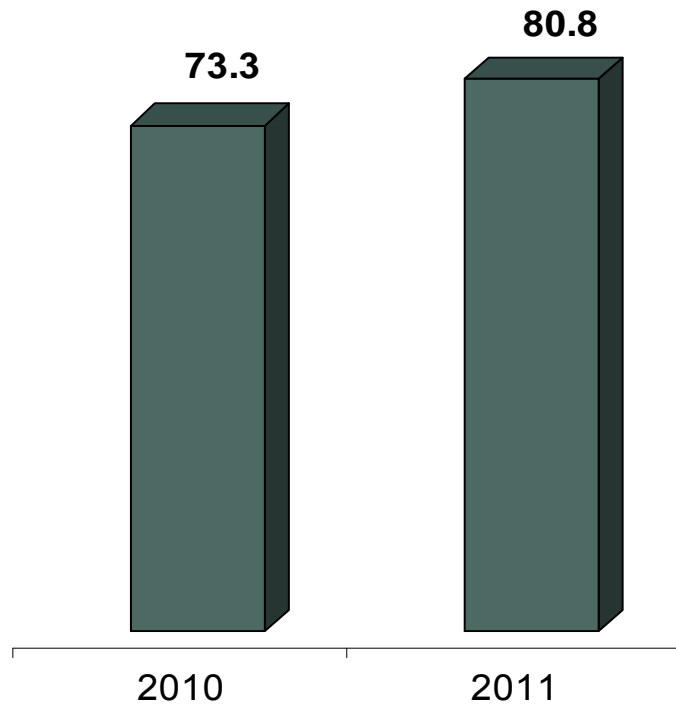


1. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel.

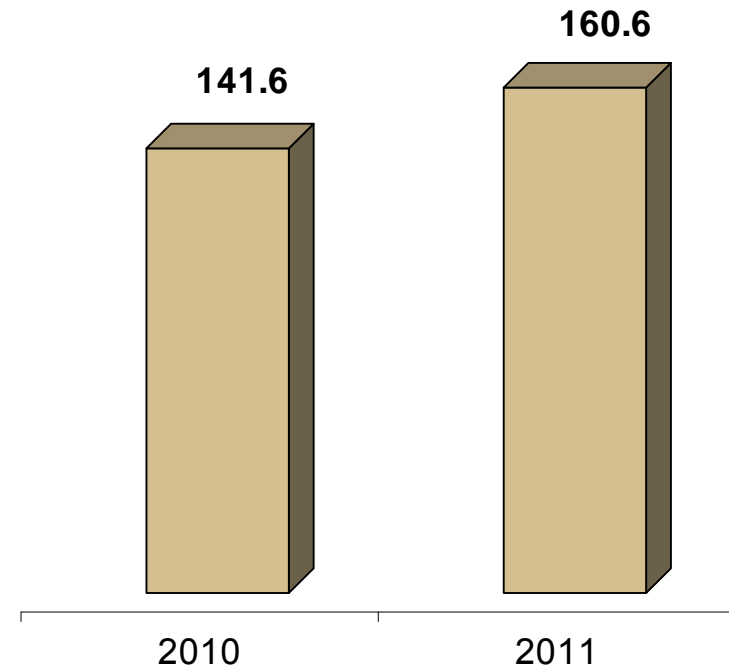
# Mackenzie Earnings before Interest & Taxes

- ◆ *Mackenzie's Earnings before Interest and Taxes increased by 10.2% during Q2, 2011 relative to Q2, 2010, and increased by 13.4% year to date.*

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



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



# Mackenzie Earnings before Interest & Taxes

- *Mackenzie's Earnings before Interest and Taxes were \$80.8 million during Q2, 2011, a 10.2% increase relative to Q2, 2010.*

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

|   | <u>2010</u>        | <u>2011</u>        | <u>Change</u> |
|---|--------------------|--------------------|---------------|
| Average assets under management (\$ billions) |                    |                    |               |
| Total   | 63.4               | 69.9               | 10.3%         |
| Mutual funds                                  | 40.4               | 44.2               | 9.3%          |
| Revenues                                      |                    |                    |               |
| Management fees                               | 170.7              | 181.6              | 6.4%          |
| Administration fees                           | 33.1               | 32.8               | (0.9%)        |
| Distribution fees                             | 6.2                | 5.3                | (14.5%)       |
|   | <u>210.0</u>       | <u>219.7</u>       | 4.6%          |
| Net investment income and other               | 3.0                | 4.1                | 36.7%         |
| Total   | <u>213.0</u>       | <u>223.8</u>       | 5.1%          |
| Expenses                                      |                    |                    |               |
| Commission amortization                       | 27.0               | 23.6               | (12.6%)       |
| Other commissions                             | 45.6               | 50.2               | 10.1%         |
| Commissions                                   | <u>72.6</u>        | <u>73.8</u>        | 1.8%          |
| Non-commission                                | 67.1               | 69.2               | 3.1%          |
| Total   | <u>139.7</u>       | <u>143.0</u>       | 2.4%          |
| Earnings before interest and taxes            | <u><u>73.3</u></u> | <u><u>80.8</u></u> | 10.2%         |

# Mackenzie Developments

## 1. Investment Management

- 65% of mutual funds and 73% of mutual fund assets relate to funds in first or second quartile in terms of five year performance.

## 2. Distribution

- Gross mutual fund sales up 10.4% during Q2, 2011 relative to Q2, 2010 and net sales improved by \$232 million.<sup>1</sup>

## 3. Product Shelf

- Upgraded investors in Mackenzie's asset allocation products (STAR and Keystone) to Mackenzie's premier Symmetry program, and also internalized investment advisory of Keystone Partner Funds through fund mergers.
- Conversion of Canadian Shield Fund from a closed-end fund to an open-end fund.
- Putnam Investments appointed as sub-advisor to several high-yield corporate bond funds.

1. Adjusted for institutional re-balancings into mutual funds during Q2, 2010 which increase gross mutual fund sales by \$482 million and net mutual fund sales by \$411 million.