

Ten Year Review

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

For the years ended December 31						5 YEAR %						10 YEAR %
(\$ thousands, except per share amounts)	2005	2004	2003	2002	2001	CAGR ⁽¹⁾	2000	1999	1998	1997	1996	CAGR ⁽¹⁾
Fee income	2,164,472	1,955,740	1,714,373	1,813,205	1,626,934	15.0	1,075,504	939,656	864,445	730,819	544,375	17.4
Net investment income	183,108	163,331	159,808	126,510	133,515	8.5	121,604	86,782	73,730	71,031	69,101	13.0
	2,347,580	2,119,071	1,874,181	1,939,715	1,760,449	14.4	1,197,108	1,026,438	938,175	801,850	613,476	17.0
Operating expenses	1,372,222	1,256,555	1,050,722	1,133,066	1,176,427	14.7	690,398	612,300	614,004	552,454	434,643	15.0
	975,358	862,516	823,459	806,649	584,022	14.0	506,710	414,138	324,171	249,396	178,833	20.7
Dilution gain	–	–	14,820	–	–	–	–	–	–	–	–	–
Income before undernoted	975,358	862,516	838,279	806,649	584,022	14.0	506,710	414,138	324,171	249,396	178,833	20.7
Income taxes	291,500	264,969	299,198	317,401	252,474	5.6	222,418	178,525	135,827	101,884	61,331	19.0
	683,858	597,547	539,081	489,248	331,548	19.2	284,292	235,613	188,344	147,512	117,502	21.5
Goodwill amortization, net of tax	–	–	–	–	71,969	–	267	–	–	–	–	–
	683,858	597,547	539,081	489,248	259,579	19.2	284,025	235,613	188,344	147,512	117,502	21.5
Discontinued operations	–	–	–	1,811	116	–	–	–	–	–	–	–
	683,858	597,547	539,081	491,059	259,695	19.2	284,025	235,613	188,344	147,512	117,502	21.5
Non-controlling interest	1,431	1,151	–	–	–	–	–	–	–	–	–	–
Net income												
In accordance with GAAP	682,427	596,396	539,081	491,059	259,695	19.2	284,025	235,613	188,344	147,512	117,502	21.5
Adjusted net income ⁽²⁾	682,427	615,577	533,563	491,059	392,637	19.1	284,292	235,613	188,344	147,512	117,502	21.5
Diluted earnings per share (\$)												
In accordance with GAAP	2.56	2.24	2.03	1.85	1.05	13.8	1.35	1.12	0.89	0.70	0.56	18.7
Adjusted earnings per share ⁽²⁾	2.56	2.31	2.01	1.85	1.58	13.7	1.35	1.12	0.89	0.70	0.56	18.6
Dividends per share (¢)	134	115	99	86	73	17.0	61	49	38	30	25	21.9
Return on average common equity (ROE) (%)												
In accordance with GAAP	20.0	19.1	19.1	19.2	16.7	–	28.1	26.4	23.8	21.1	18.8	–
Adjusted ROE ⁽²⁾	20.0	19.8	18.9	19.2	19.6	–	28.1	26.4	23.8	21.1	18.8	–
Average shares outstanding (thousands)												
– Basic	264,573	264,431	263,915	263,487	247,093	–	210,012	210,854	211,396	211,383	211,370	–
– Diluted	266,609	266,010	265,174	264,873	247,932	–	210,870	210,854	211,396	211,383	211,370	–
Share price (closing \$)	46.12	36.64	31.05	26.75	25.50	12.2	25.95	20.60	26.40	22.60	13.50	18.7

Includes Mackenzie from date of acquisition (April 20, 2001). Includes Investment Planning Counsel from date of acquisition (May 10, 2004).

(1) Compound annual growth rate.

(2) Non-GAAP Financial Measures – Items denoted as being excluded refer to:

2004 – Unitholder compensation as discussed on page 23 of the MD&A

2003 – Dilution gain, restructuring reversal and non-cash income tax change as discussed on page 23 of the MD&A

2001 and 2000 – Goodwill amortization and Mackenzie restructuring costs

Ten Year Review

STATISTICAL INFORMATION

For the years ended December 31						5 YEAR %		10 YEAR %				
(\$ millions)	2005	2004	2003	2002	2001	CAGR ⁽¹⁾	2000	1999	1998	1997	1996	CAGR ⁽¹⁾
Mutual funds												
Investors Group												
Sales	5,488	4,722	4,021	4,916	6,027	(4.9)	7,053	5,915	6,296	6,513	5,031	4.7
Redemption rates (%)												
– total	10.0	10.6	12.8	12.6	11.6	–	14.0	11.9	10.0	9.9	11.6	–
– long-term funds	8.7	9.1	10.7	10.2	9.6	–	11.7	9.8	8.3	8.2	9.5	–
Net sales (redemptions)	778	218	(839)	(109)	1,031	N/M	976	1,370	2,887	3,522	2,361	N/M
Assets under management	50,701	44,510	40,904	37,588	41,644	2.6	44,498	40,650	36,064	32,248	25,912	9.6
Mackenzie⁽²⁾												
Sales	8,075	6,786	5,282	5,998	3,454	–	–	–	–	–	–	–
Redemption rates (%)												
– total	17.6	16.9	17.3	17.6	16.7	–	–	–	–	–	–	–
– long-term funds	14.8	13.8	13.0	11.9	11.6	–	–	–	–	–	–	–
Net sales (redemptions)	1,175	795	(69)	288	24	–	–	–	–	–	–	–
Assets under management	41,592	37,298	33,770	30,860	33,400	–	–	–	–	–	–	–
Investment Planning Counsel												
Sales	407	259	–	–	–	–	–	–	–	–	–	–
Redemption rates (%)												
– total	10.2	10.5	–	–	–	–	–	–	–	–	–	–
– long-term funds	9.7	9.5	–	–	–	–	–	–	–	–	–	–
Net sales (redemptions)	237	161	–	–	–	–	–	–	–	–	–	–
Assets under management	1,858	1,497	–	–	–	–	–	–	–	–	–	–
Combined mutual fund assets under management⁽³⁾												
	94,116	83,273	74,674	68,448	75,044	16.2	44,498	40,650	36,064	32,248	25,912	16.6
Insurance in force (face amount)	37,024	35,897	31,307	27,546	24,374	12.1	20,876	18,086	14,548	12,279	10,327	14.9
Securities operations assets under administration	7,320	7,107	5,785	4,938	4,104	22.6	2,646	1,471	590	316	128	–
Mortgages serviced	6,003	6,010	6,425	6,938	7,659	(3.4)	7,147	7,569	8,144	4,157	4,145	4.3
Deposits and certificates	693	711	729	709	671	25.6	219	307	372	488	986	(4.0)
Corporate Assets	6,807	6,473	6,292	5,987	6,122	27.9	1,985	1,812	1,799	1,765	1,959	13.6
Consultants – Investors Group	3,668	3,496	3,223	3,324	3,409	1.0	3,483	3,626	3,774	3,507	3,187	1.9

Includes Mackenzie from date of acquisition (April 20, 2001). Includes Investment Planning Counsel from date of acquisition (May 10, 2004).

(1) Compound annual growth rate.

(2) For Canadian mutual fund operations only.

(3) Adjusted for inter-segment assets.