



## IGM FINANCIAL Q2, 2012 Results

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August 2, 2012

STRENGTH | FOCUS | GROWTH

# 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

**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 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 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 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 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).

# 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 and six 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.
- “Operating Earnings” and “Operating Earnings Per Share” for the three and six months ended June 30, 2011 exclude the net earnings for M.R.S. Trust Company and M.R.S. Inc. (MRS), which have been classified as discontinued operations. On November 16, 2011, Mackenzie closed the previously announced transaction to sell MRS. Net earnings from discontinued operations were \$1.1 million for the second quarter of 2011 and \$2.0 for the six months ended June 30, 2011.

# 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, 2012 results issued August 2, 2012:
  - IGM Financial Q2, 2012 financial results press release. This press release includes financial highlights as well as a summary earnings statement.
  - IGM Financial Q2, 2012 Consolidated Financial Statements and notes.
  - IGM Financial Q2, 2012 Management's Discussion and Analysis ("MD&A").
  - IGM Financial Q2, 2012 Supplemental Information.
2. IGM Financial July, 2012 Assets Under Management press release issued August 2, 2012.
3. Investors Group pricing and product enhancements press release issued May 18, 2012.
4. IGM Financial 2011 Annual Report which was issued on March 22, 2012.

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

## **1. Highlights**

2. Investors Group

3. Mackenzie

# IGM Financial Highlights – Earnings

- IGM Financial's Operating Earnings Per Share decreased by 14.6% during the second quarter of 2012 relative to the second quarter of 2011, and decreased by 9.8% year to date.***

	<u>Three months ended June 30</u>			<u>Six months ended June 30</u>		
	<u>2011</u>	<u>2012</u>	<u>Change</u>	<u>2011</u>	<u>2012</u>	<u>Change</u>
Operating Earnings (millions) <sup>1</sup>	\$ 212.8	\$ 179.0	(15.9%)	\$ 424.0	\$ 378.7	(10.7%)
Operating Earnings per share (diluted) <sup>1</sup>	0.82	0.70	(14.6%)	1.63	1.47	(9.8%)
Net Earnings (millions)	213.9	172.6	(19.3%)	426.0	372.3	(12.6%)
Net Earnings per share (diluted)	0.82	0.67	(18.3%)	1.64	1.45	(11.6%)
Dividends per share	0.5125	0.5375	4.9%	1.025	1.075	4.9%

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

# IGM Financial Highlights – Gross Sales

- *IGM Financial had gross sales of \$3.2 billion during Q2, 2012 and \$7.5 billion year to date.*

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

	Three Months Ended June 30, 2012				Six Months Ended June 30, 2012			
	Investors Group	Mackenzie	Counsel	IGM Financial	Investors Group	Mackenzie	Counsel	IGM Financial
Long term mutual funds	1,120	1,007	74	<b>2,201</b>	2,769	2,365	195	<b>5,328</b>
Short term mutual funds	186	85	13	<b>284</b>	371	199	32	<b>602</b>
Total mutual funds	1,306	1,092	87	<b>2,485</b>	3,140	2,564	227	<b>5,930</b>
Institutional		866		<b>666</b>		2,115		<b>1,578</b>
Total	<u>1,306</u>	<u>1,958<sup>1</sup></u>	<u>87</u>	<u><b>3,151<sup>1</sup></b></u>	<u>3,140</u>	<u>4,679<sup>1</sup></u>	<u>227</u>	<u><b>7,508<sup>1</sup></b></u>

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 \$200 million during Q2, 2012 and \$538 million year to date.



# IGM Financial Highlights – Net Sales

- *IGM Financial had net redemptions of \$1.7 billion during Q2, 2012 and \$2.5 billion year to date.*

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

	Three Months Ended June 30, 2012				Six Months Ended June 30, 2012			
	Investors Group	Mackenzie	Counsel	IGM Financial	Investors Group	Mackenzie	Counsel	IGM Financial
Long term mutual funds	(321)	(429)	(32)	<b>(782)</b>	(158)	(913)	(15)	<b>(1,087)</b>
Short term mutual funds	(3)	(29)	7	<b>(25)</b>	9	(54)	21	<b>(24)</b>
Total mutual funds	(324)	(458)	(25)	<b>(807)</b>	(149)	(967)	6	<b>(1,111)</b>
Institutional		(833)		<b>(855)</b>		(1,257)		<b>(1,404)</b>
Total	<u>(324)</u>	<u>(1,291)<sup>1</sup></u>	<u>(25)</u>	<b><u>(1,662)<sup>1</sup></u></b>	<u>(149)</u>	<u>(2,224)<sup>1</sup></u>	<u>6</u>	<b><u>(2,515)<sup>1</sup></u></b>

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 \$22 million during Q2, 2012 and net sales of \$148 million year to date.

# IGM Financial Highlights – Assets Under Management

- IGM Financial's total assets under management decreased by 5.0% during Q2, 2012 relative to Q1, 2012 and declined by 9.4% relative to Q2, 2011.

(\$ Billions)	Quarter					Q2, 2012 Change	
	Jun 30, 2011	Sep 30, 2011	Dec 31, 2011	Mar 31, 2012	Jun 30, 2012	Last Quarter	Last Year

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

<b>IGM Financial</b>	<b>130.2</b>	<b>116.7</b>	<b>118.7</b>	<b>124.1</b>	<b>118.0</b>	<b>(5.0%)</b>	<b>(9.4%)</b>
Investors Group	62.2	56.5	57.7	60.6	58.1	(4.1%)	(6.5%)
Mackenzie <sup>1</sup>	68.8	60.9	61.7	64.4	60.7	(5.8%)	(11.9%)
Counsel	2.8	2.7	2.8	3.0	2.8	(3.7%)	0.1%

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

<b>IGM Financial</b>	<b>132.0</b>	<b>124.0</b>	<b>119.0</b>	<b>122.8</b>	<b>119.2</b>	<b>(2.9%)</b>	<b>(9.7%)</b>
Investors Group	62.8	59.4	57.5	59.8	58.5	(2.1%)	(6.9%)
Mackenzie <sup>1</sup>	69.9	65.4	62.2	63.8	61.6	(3.6%)	(12.0%)
Counsel	2.8	2.8	2.8	2.9	2.9	(1.7%)	1.1%

1. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel. These mandates had assets under management of \$3.7 billion at June 30, 2012.

# Operating Environment – Industry Sales Mix

- *The industry experienced declines in both gross and net sales during Q2, 2012 relative to Q2, 2011.*

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

	Long Term Funds			Total Funds		
	2011	2012	Change	2011	2012	Change
<b>Gross Sales</b>						
Advice	17.4	12.5	(28.4%)	18.2	13.2	(27.5%)
Deposit takers	15.1	16.8	11.1%	21.2	21.8	3.1%
Direct & other	1.0	1.6	62.6%	1.1	1.7	59.4%
Total	33.5	30.8	(8.0%)	40.4	36.7	(9.2%)
<b>Net Sales</b>						
Advice	1.6	(1.0)		1.4	(1.2)	
Deposit takers	3.9	5.4		3.1	4.7	
Direct & other	0.3	0.4		0.3	0.4	
Total	5.8	4.8		4.8	4.0	

Source: Investor Economics Insight Report.

“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

- ◆ *Income-oriented and balanced funds continued to experience positive net sales during the second quarter of 2012.*

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

	Q2, 2010	Q3, 2010	Q4, 2010	Q1, 2011	Q2, 2011	Q3, 2011	Q4, 2011	Q1, 2012	Q2, 2012
Income-oriented	2.0	6.0	8.7	6.5	3.3	0.6	<b>4.6</b>	<b>12.5</b>	<b>4.0</b>
Balanced	1.1	0.2	2.4	5.1	2.9	(0.1)	0.0	2.4	0.3
Canadian equity	(1.7)	(2.0)	(2.7)	(0.5)	(0.6)	(0.8)	(2.2)	(2.1)	(1.0)
Foreign equity	0.2	(1.6)	(1.1)	2.4	(0.1)	0.2	(2.4)	(0.4)	1.2
Sector / other	0.1	0.1	0.5	0.9	0.3	0.0	1.8	0.5	0.4
Long term	1.8	2.8	7.9	14.4	5.8	(0.1)	1.7	12.9	4.8
Money market	(3.9)	(2.5)	(3.4)	(1.4)	(1.0)	(1.1)	(1.2)	(1.4)	(0.9)
Total	(2.1)	0.2	4.5	12.9	4.8	(1.2)	0.5	11.5	4.0

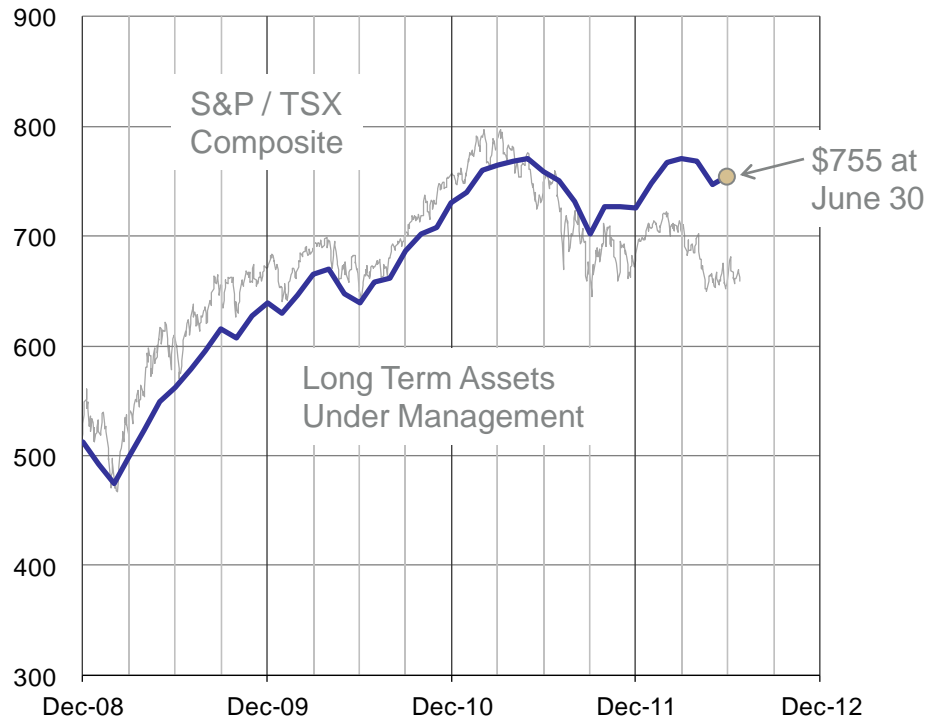
Source: Investor Economics.

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

# Operating Environment – Financial Markets

- During Q2, 2012, industry long term mutual fund assets declined by 2.0% primarily as a result of declines in global equity markets.

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



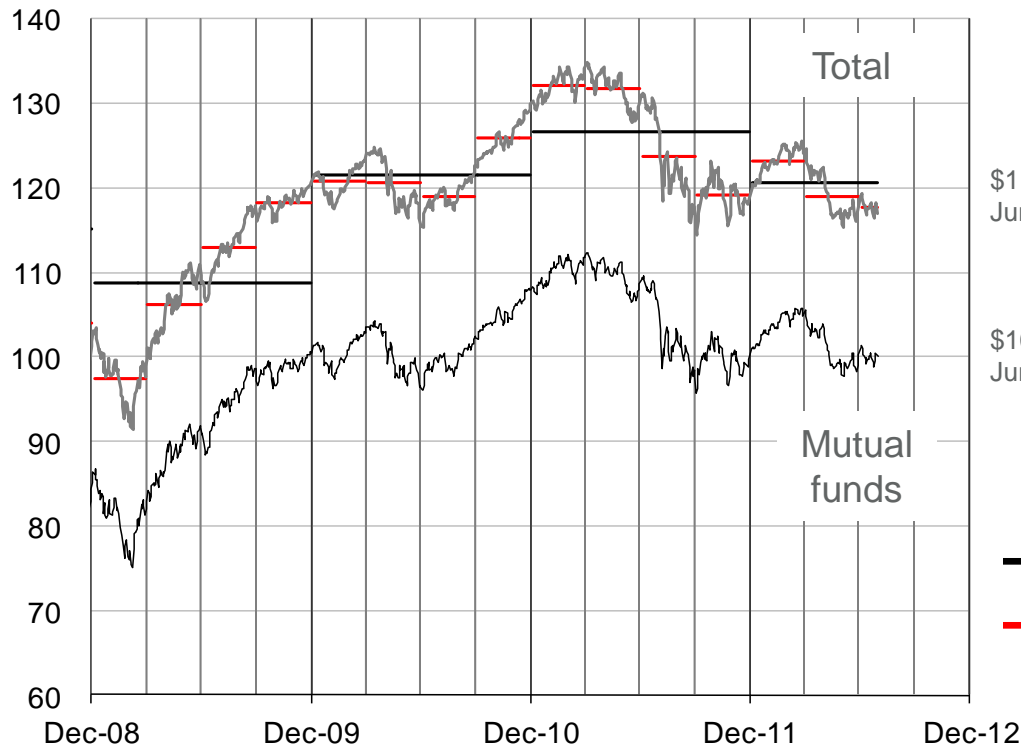
	Q2, 2012	Q3, 2012 at August 1
Mutual Fund Long Term Assets	(2.0%)	
S&P / TSX Composite	(6.4%)	0.2%
S&P 500	(3.3%)	1.0%
Dow Jones Industrial	(2.5%)	0.7%
Nasdaq Composite	(5.1%)	(0.5%)
FTSE 100	(3.4%)	2.5%
DAX	(7.6%)	5.3%
Nikkei 225	(10.7%)	(4.1%)
US dollar relative to CAD	1.8%	(1.1%)
Euro relative to CAD	(3.4%)	(4.6%)

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 decreased by 2.6% during Q2, 2012 relative to Q1, 2012 and average total assets declined by 2.9%.*

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



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

	Total	Mutual funds
Q2, 2012	119.2	100.9
Q2, 2012 versus Q1, 2012	(2.9%)	(2.6%)
Q2, 2012 versus Q2, 2011	(9.7%)	(8.2%)
Q1, 2012	122.8	103.6
Q2, 2011	132.0	109.9

Annual Average  
 Quarterly Average

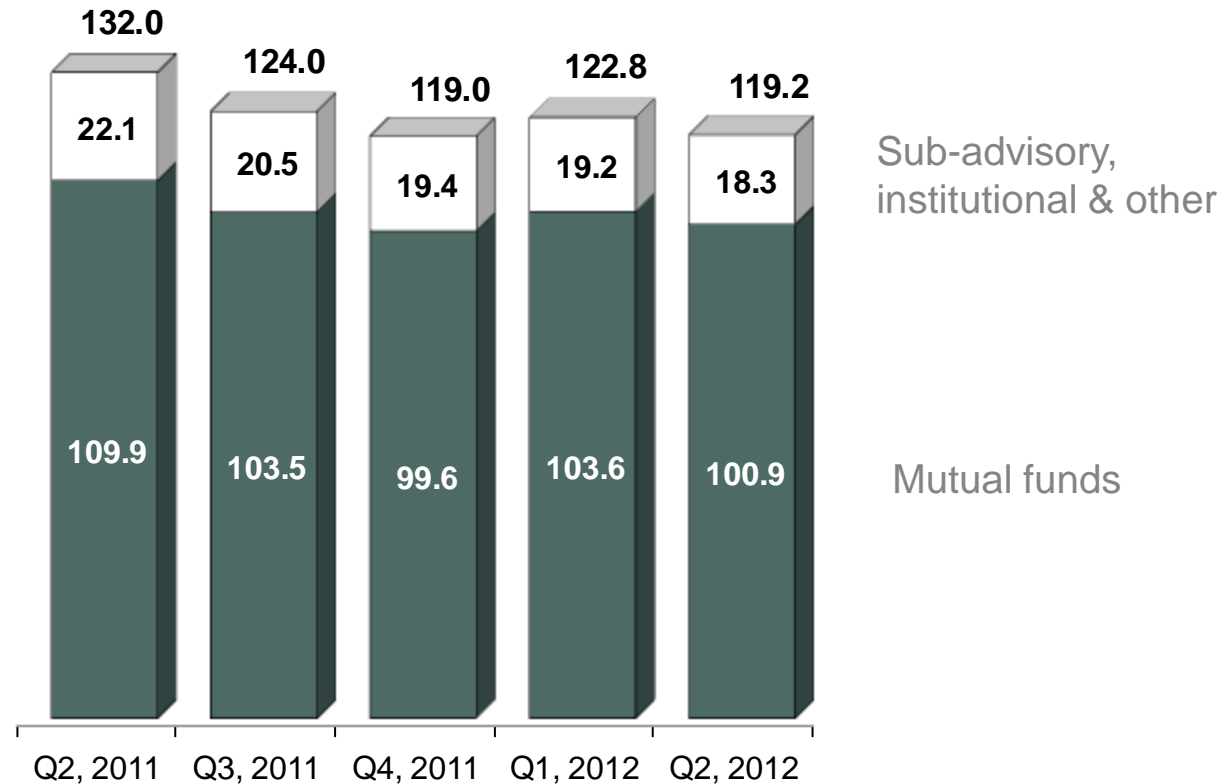
\$118.0 at  
June 30

\$100.2 at  
June 30

# IGM Financial Highlights – Assets Under Management

- ♦ *Average mutual fund assets under management decreased by 8.2% during Q2, 2012 relative to Q2, 2011 and average total assets declined by 9.7%.*

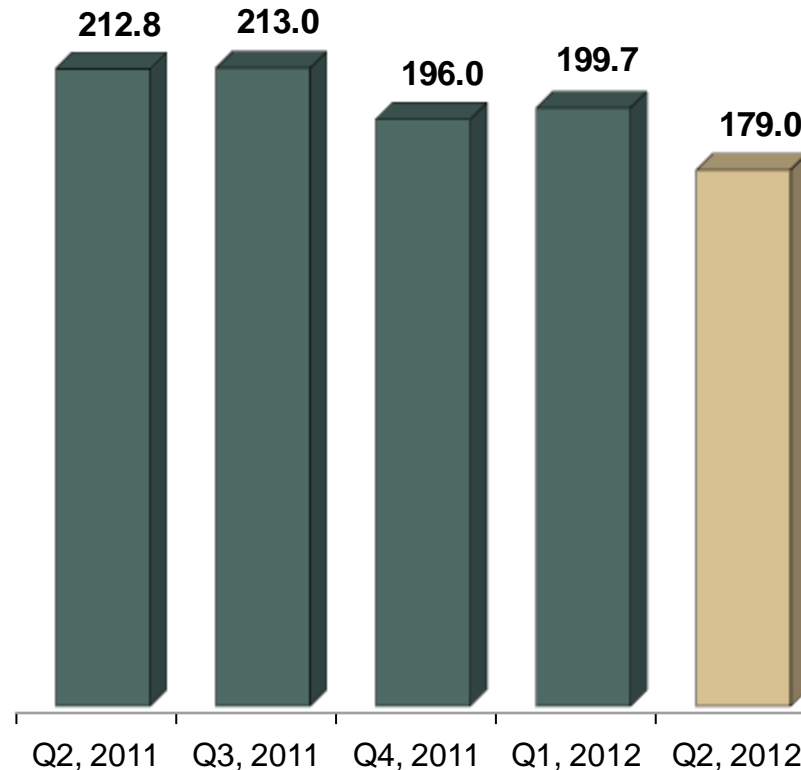
Average Assets Under Management  
(\$ Billions)



# IGM Financial Highlights – Operating Earnings

- ◆ *IGM Financial's Operating Earnings decreased by 15.9% during Q2, 2012 relative to Q2, 2011 and decreased by 10.4% relative to the prior quarter.*

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



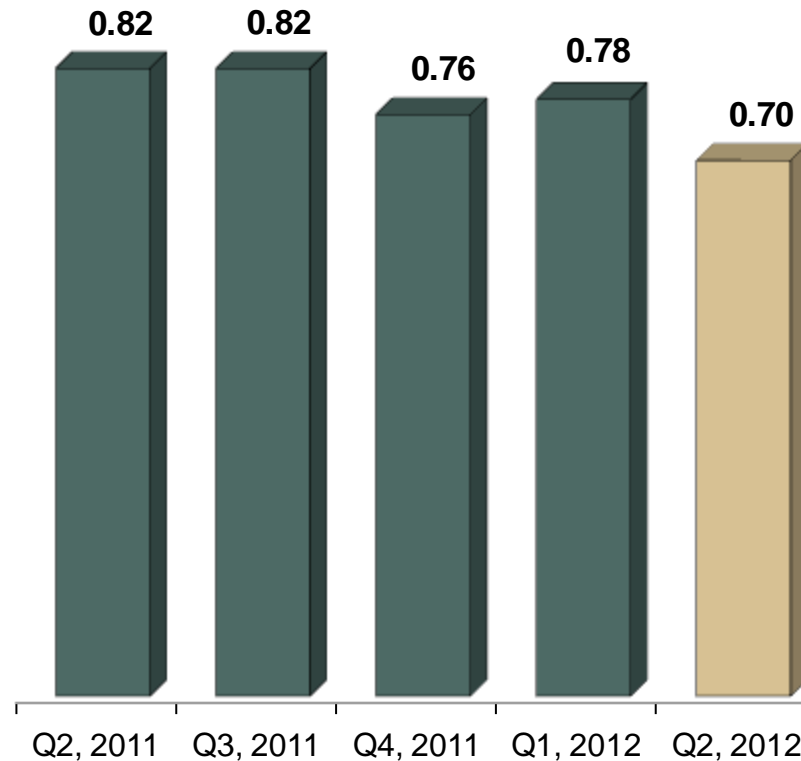
1. Please refer to slide 4 for a discussion of adjustments.



# IGM Financial Highlights – Operating Earnings Per Share

- ◆ *IGM Financial's Operating Earnings Per Share decreased by 14.6% during Q2, 2012 relative to Q2, 2011 and decreased by 10.2% relative to the prior quarter.*

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



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

1. Highlights

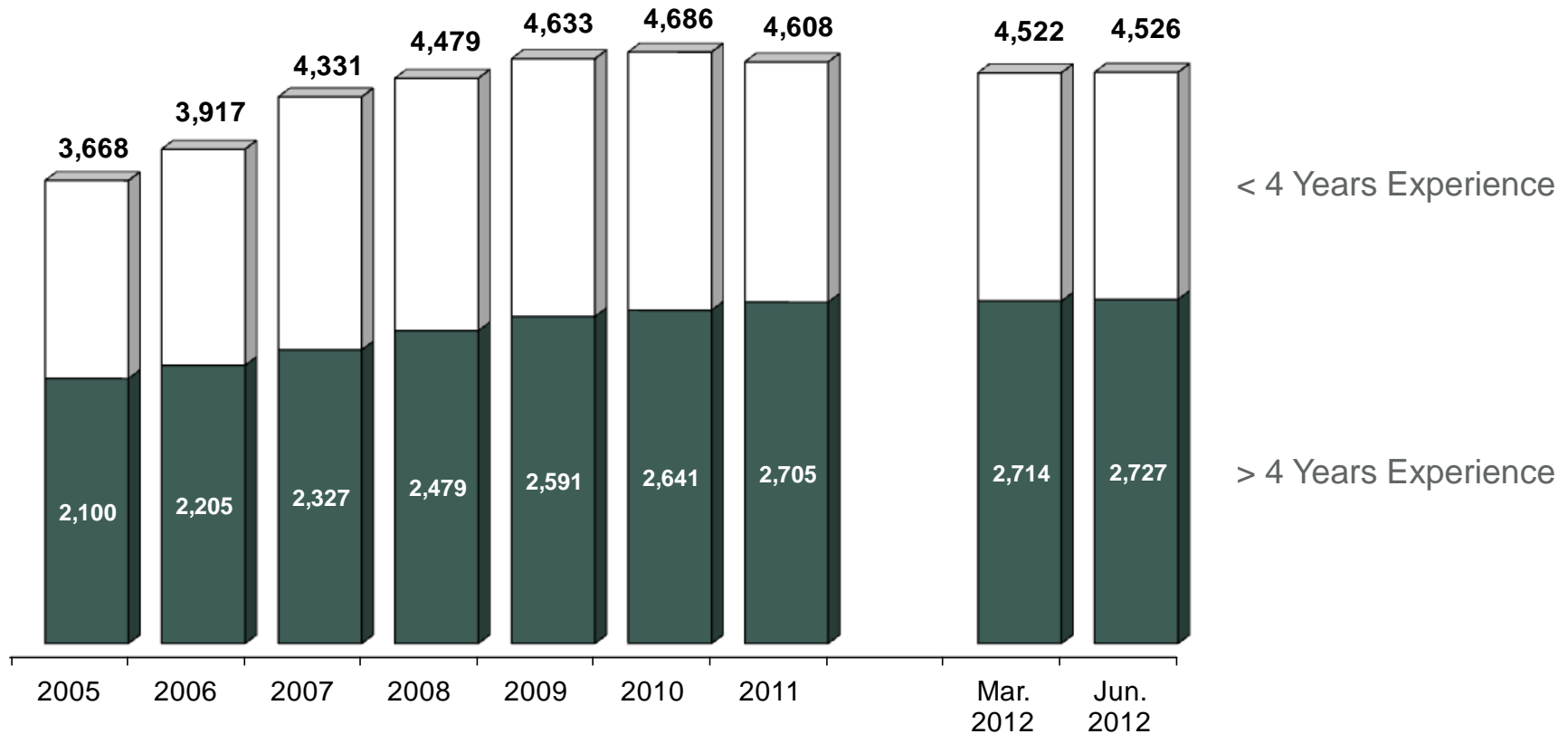
**2. Investors Group**

3. Mackenzie

# Investors Group Consultant Network

- ◆ *The Consultant Network increased to 4,526 during Q2, 2012 and the number of Consultants with greater than four years experience increased to 2,727.*

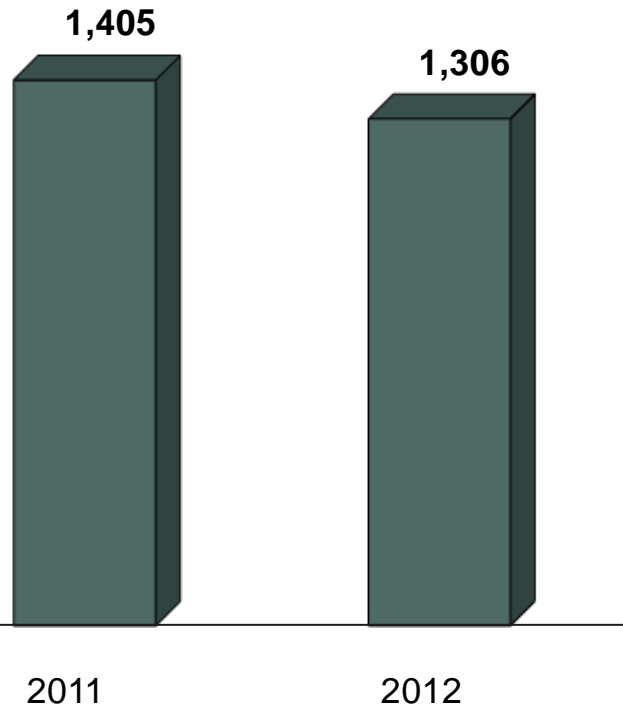
Number of Investors Group Consultants  
As at December 31 (unless otherwise indicated)



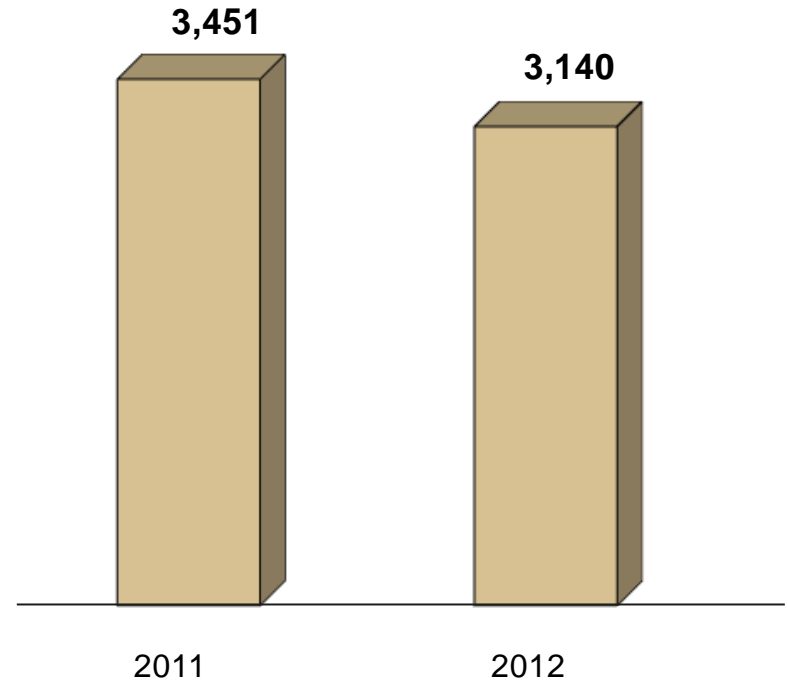
# Investors Group Mutual Fund Gross Sales

- ◆ *Investors Group had gross sales of \$1.3 billion during Q2, 2012, down 7.0% relative to Q2, 2011.*

Three months ended June 30  
(\$ Millions)



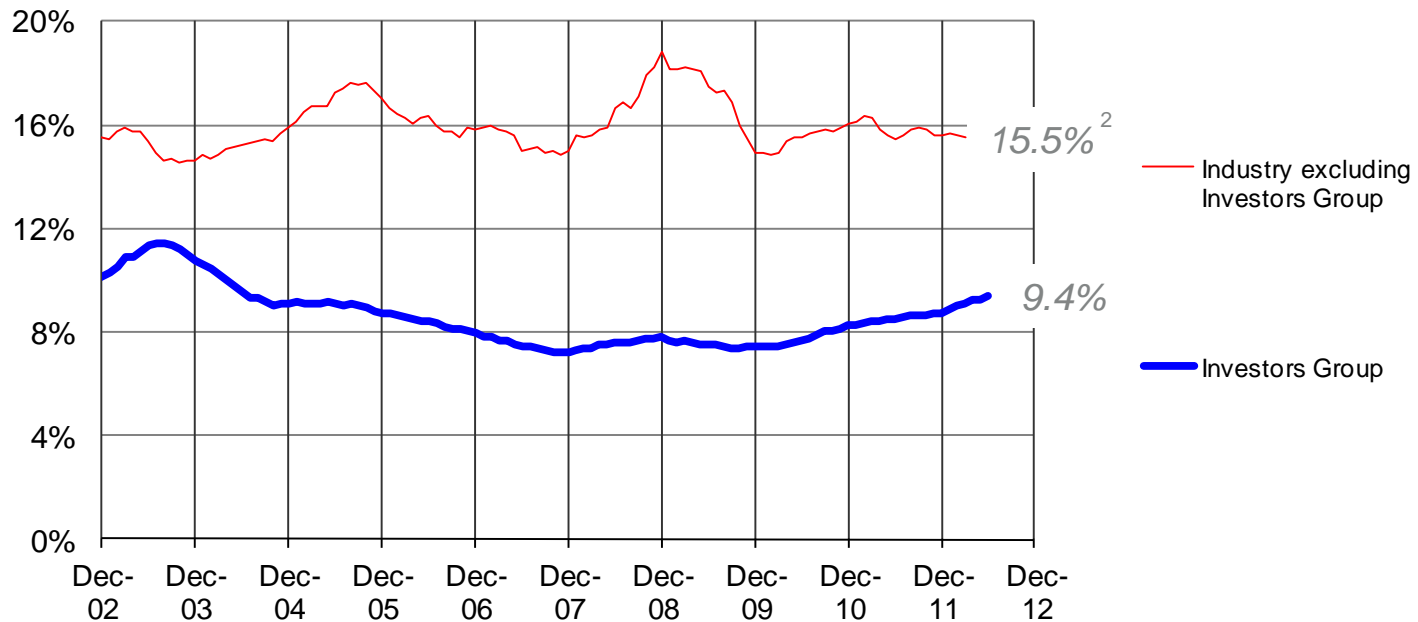
Six months ended June 30  
(\$ Millions)



# Investors Group Mutual Fund Redemption Rate

- Investors Group's twelve month trailing redemption rate on long term mutual funds was 9.4% at June 30, 2012, well below the industry average.

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

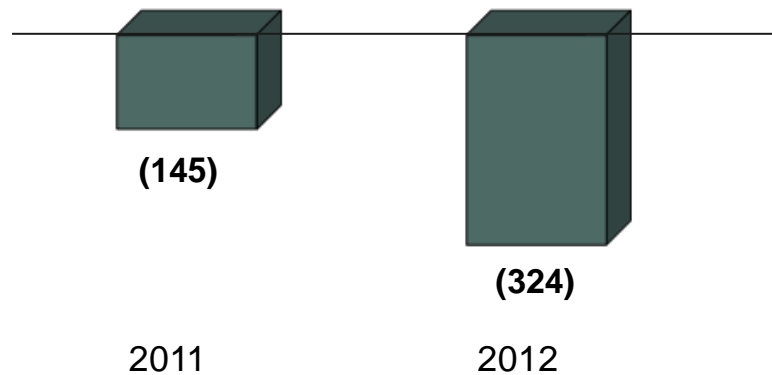


- All numbers exclude CI Investments and Invesco from the date that they discontinued reporting to IFIC. CI discontinued reporting to IFIC during December, 2008 and Invesco discontinued reporting to IFIC during October, 2010.
- Twelve month trailing redemption rate as of March 31, 2012.

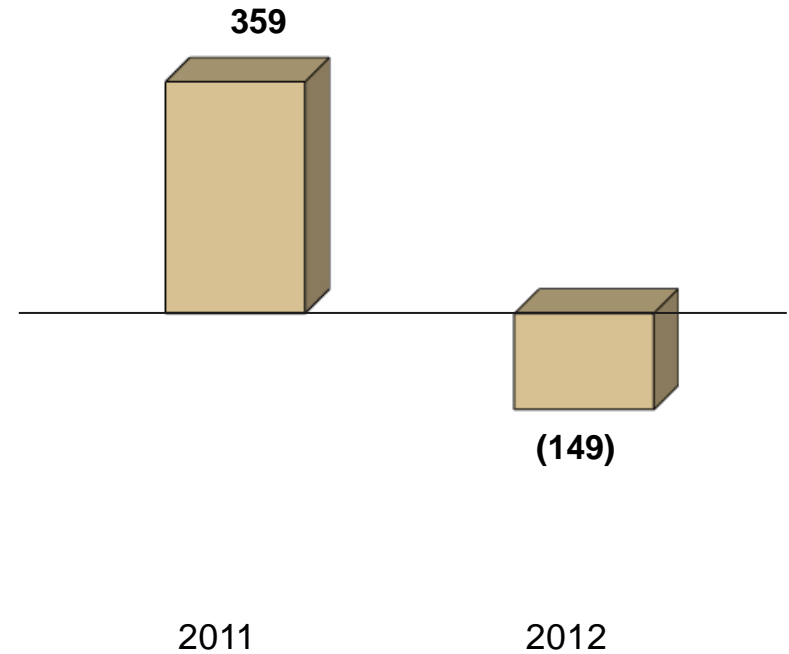
# Investors Group Mutual Fund Net Sales

- ◆ *Investors Group had net redemptions of \$324 million during Q2, 2012, compared to net redemptions of \$145 million during the prior year.*

Three months ended June 30  
(\$ Millions)



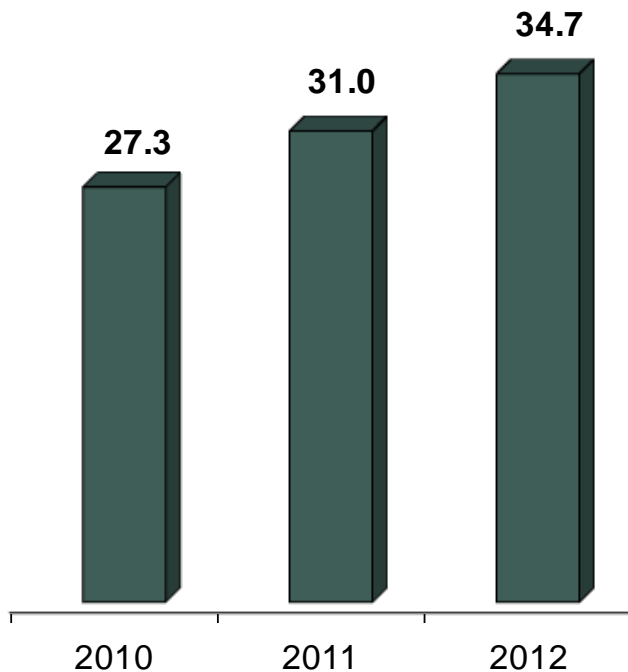
Six months ended June 30  
(\$ Millions)



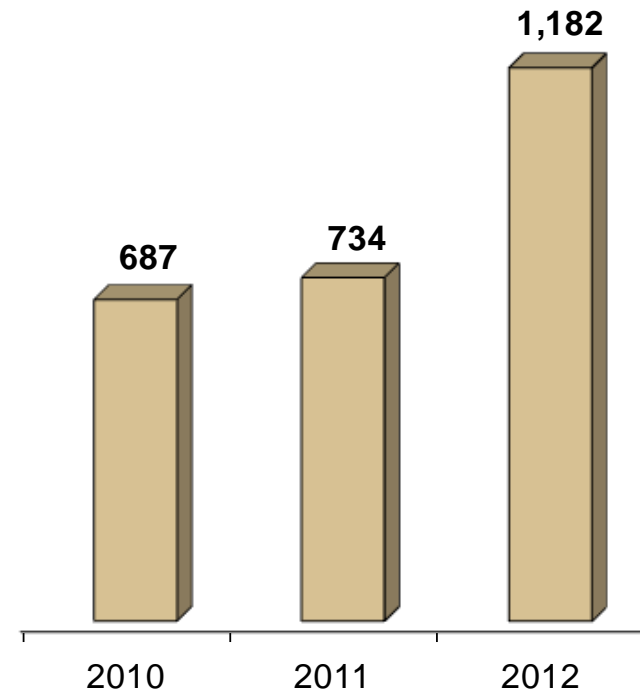
# Insurance and Mortgage Distribution

- ◆ *Investors Group insurance product sales increased by 12% during the first half of 2012 and mortgage originations were up 61%.*

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



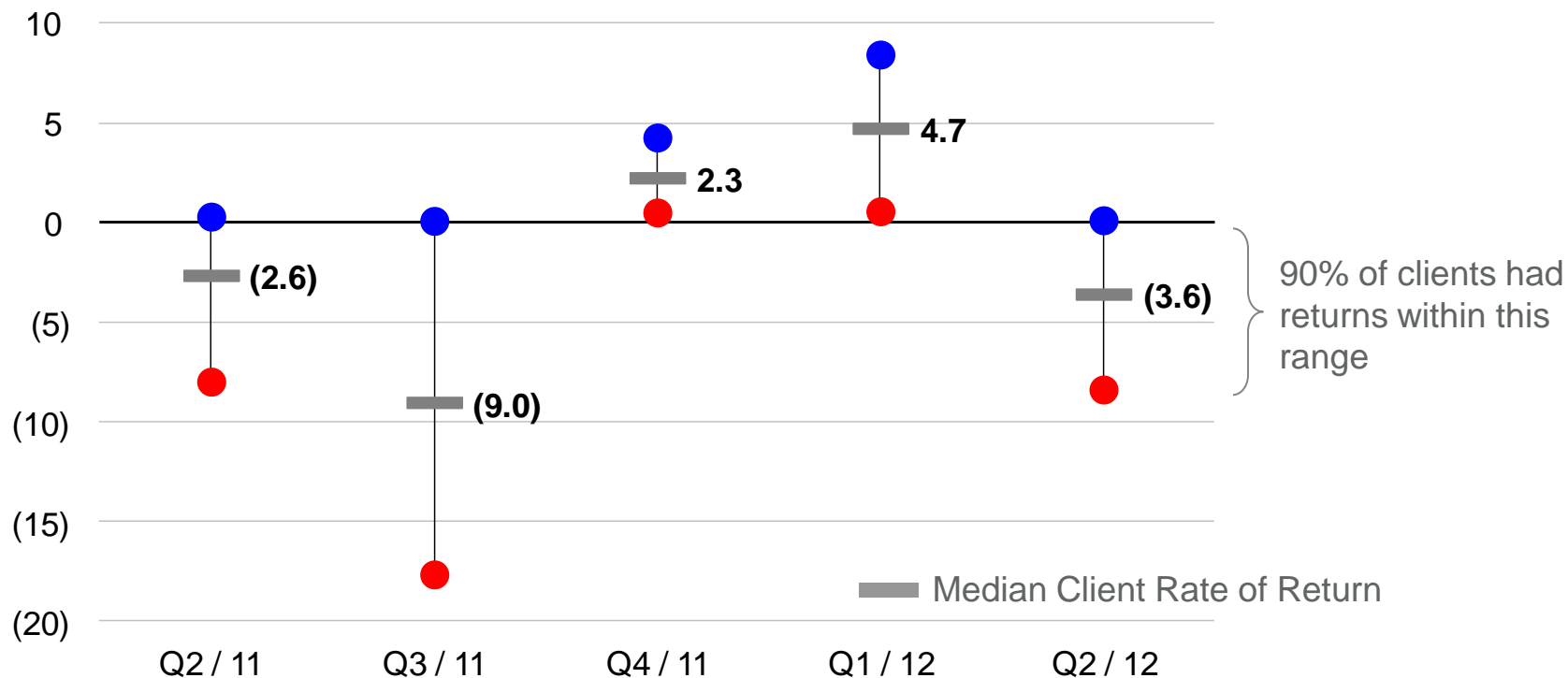
Mortgage Originations  
Six months ended June 30  
(\$ Millions)



# Investors Group Client Experience

- ◆ *The median client return was approximately (3.6%) during the second quarter of 2012 and positive 0.9% year to date.*

Investors Group Client Rate of Return (%)

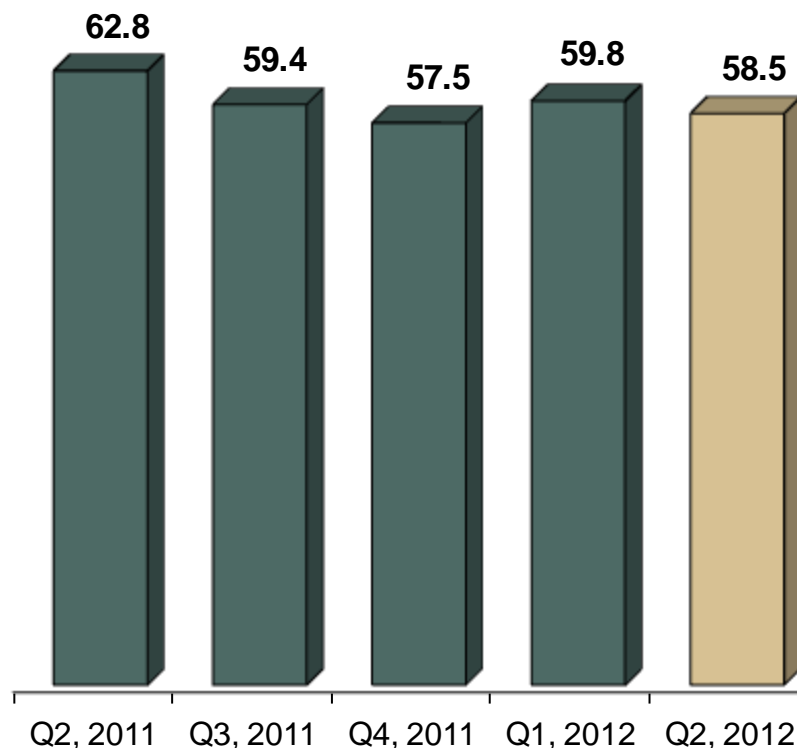




# Investors Group Mutual Fund Assets Under Management

- ◆ *The average balance of mutual fund assets under management declined by 6.9% during Q2, 2012 relative to Q2, 2011.*

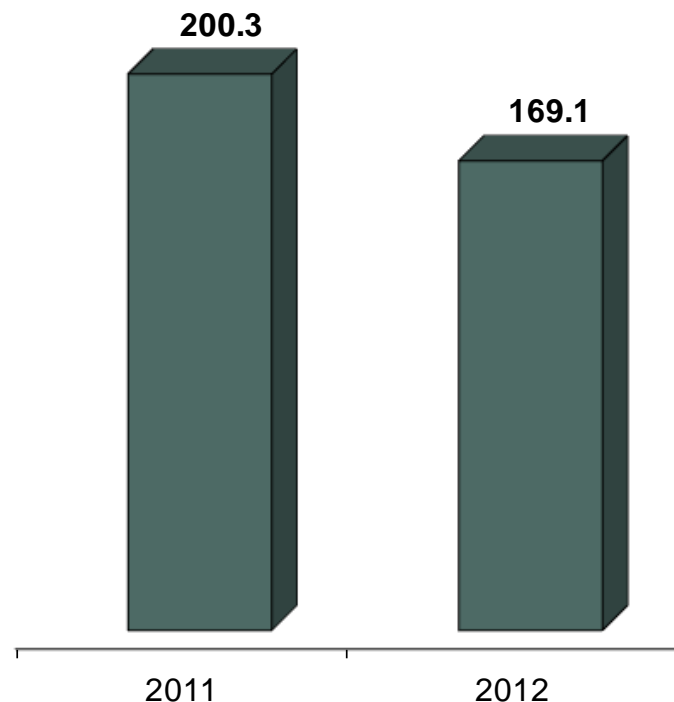
Average Assets Under Management  
(\$ Billions)



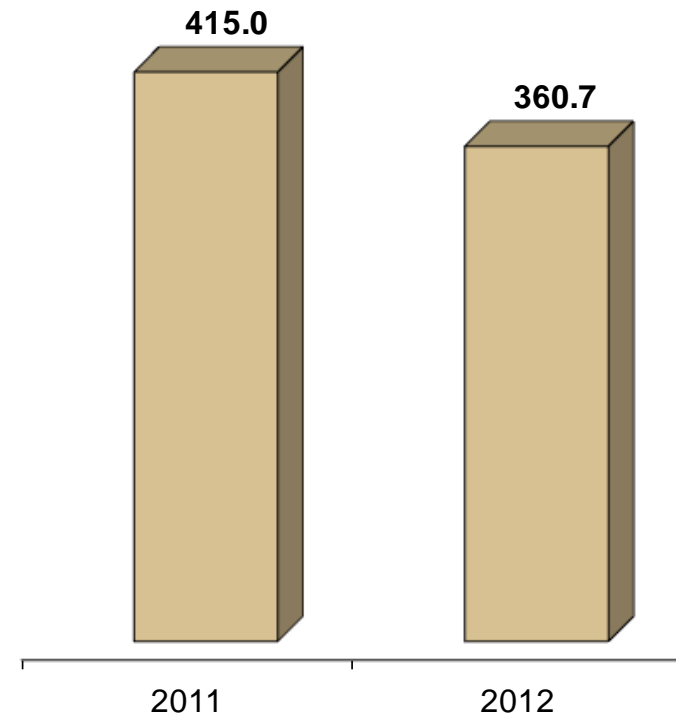
# Investors Group Operating Segment – EBIT

- ◆ *Investors Group's Earnings before Interest & Taxes declined by 15.6% during Q2, 2012 relative to Q2, 2011, and decreased by 13.1% 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 Operating Segment – EBIT

- ◆ *Investors Group's Operating Earnings before Interest & Taxes were \$169.1 million during the second quarter of 2012.*

Three months ended June 30

(\$ Millions, unless otherwise indicated)

	<u>2011</u>	<u>2012</u>	<u>Change</u>
Average mutual fund assets under management (\$ billions)	62.8	58.5	(6.9%)
Revenues			
Management fees	298.7	274.8	(8.0%)
Administration fees	<u>58.3</u>	<u>54.4</u>	(6.7%)
	357.0	329.2	(7.8%)
Distribution fees	<u>47.3</u>	<u>48.7</u>	3.0%
	404.3	377.9	(6.5%)
Net investment income and other	<u>12.6</u>	<u>10.4</u>	(17.5%)
Total	416.9	388.3	(6.9%)
Expenses			
Commission amortization	45.3	44.7	(1.3%)
Other commission	<u>79.2</u>	<u>77.4</u>	(2.3%)
Commission	124.5	122.1	(1.9%)
Non-commission	<u>92.1</u>	<u>97.1</u>	5.4%
Total	216.6	219.2	1.2%
Earnings before interest and taxes	<u><b>200.3</b></u>	<u><b>169.1</b></u>	(15.6%)

# Investors Group Developments

## 1. Consultant Network

- The Consultant Network grew slightly during the quarter through strong retention of experienced Consultants and an increase in new Consultants joining Investors Group.

## 2. Pricing and Product Enhancements

- Reductions in management fees effective July 1, 2012, range of 0.05% to 0.40% per annum of the asset value of selected funds (impacting approximately two-thirds of funds and managed assets).
- Additional investment solutions for clients with household account balances in excess of \$500,000, provides Consultants with a greater number of solutions to enhance client value and build client relationships.

## 3. Growth in Mortgages and Insurance

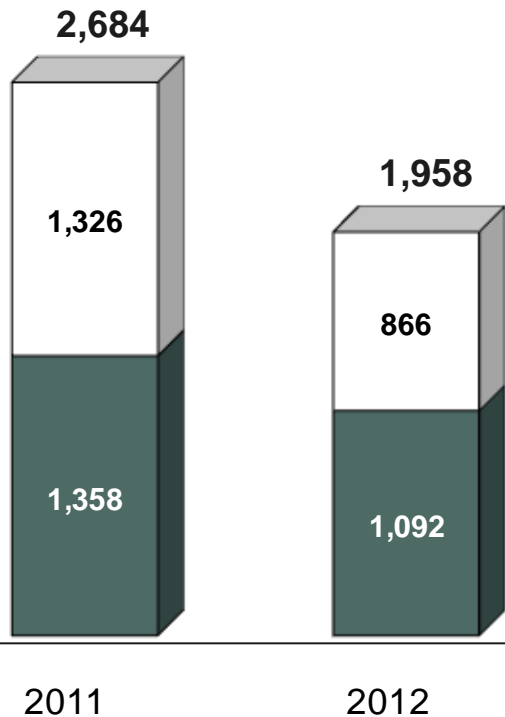
- Mortgage originations of \$593 million during Q2, 2012 (up 46.8% relative to Q2, 2011).
- New annualized insurance premiums of \$18.6 million during Q2, 2012 (up 15.5% relative to Q2, 2011).

1. Highlights
2. Investors Group
- 3. Mackenzie**

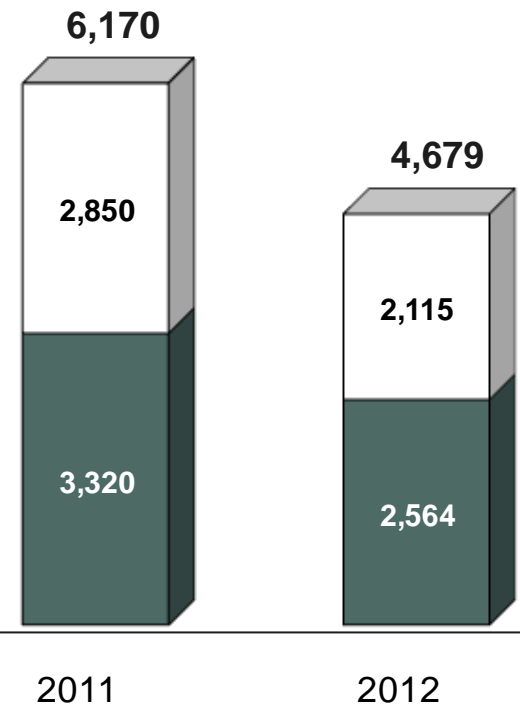
# Mackenzie Gross Sales

- *Mackenzie had gross sales of investment products of \$2.0 billion during the second quarter of 2012 and \$4.7 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)

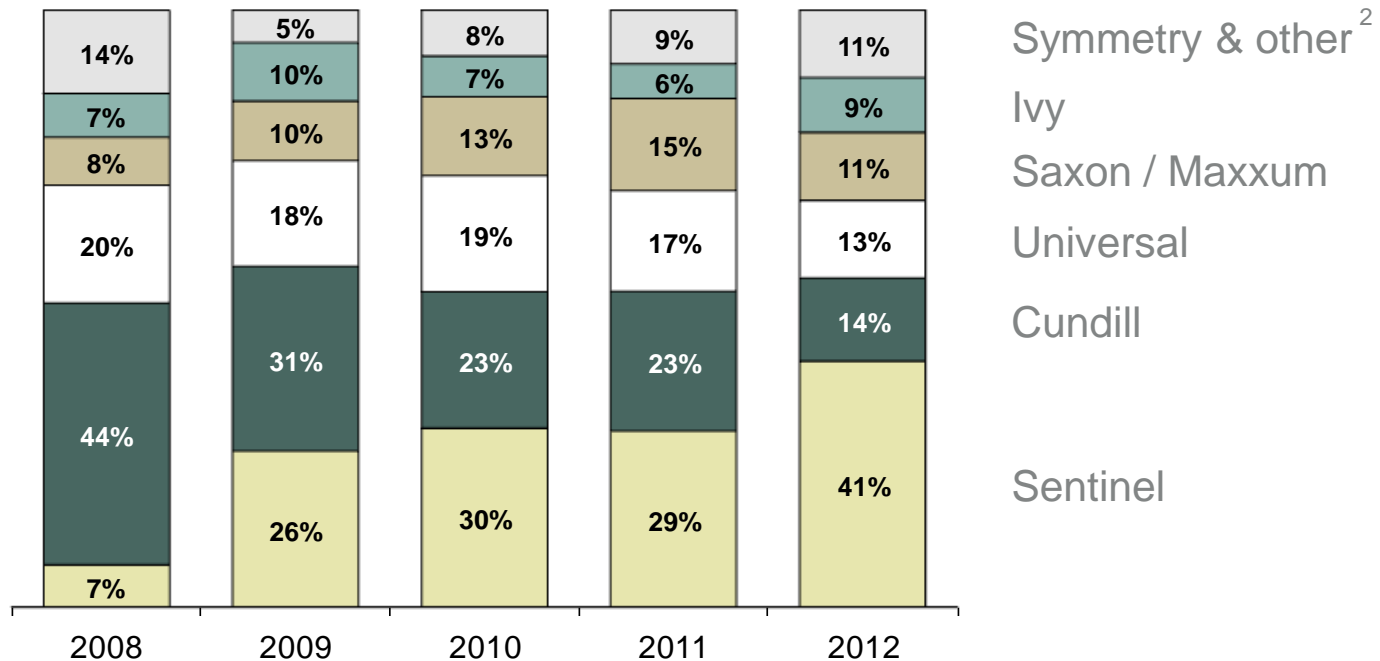


1. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel.

# Mackenzie Mutual Fund Gross Sales

- ◆ *Mackenzie's income-oriented Sentinel sub-brand continued to experience strong flows during the second quarter of 2012.*

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



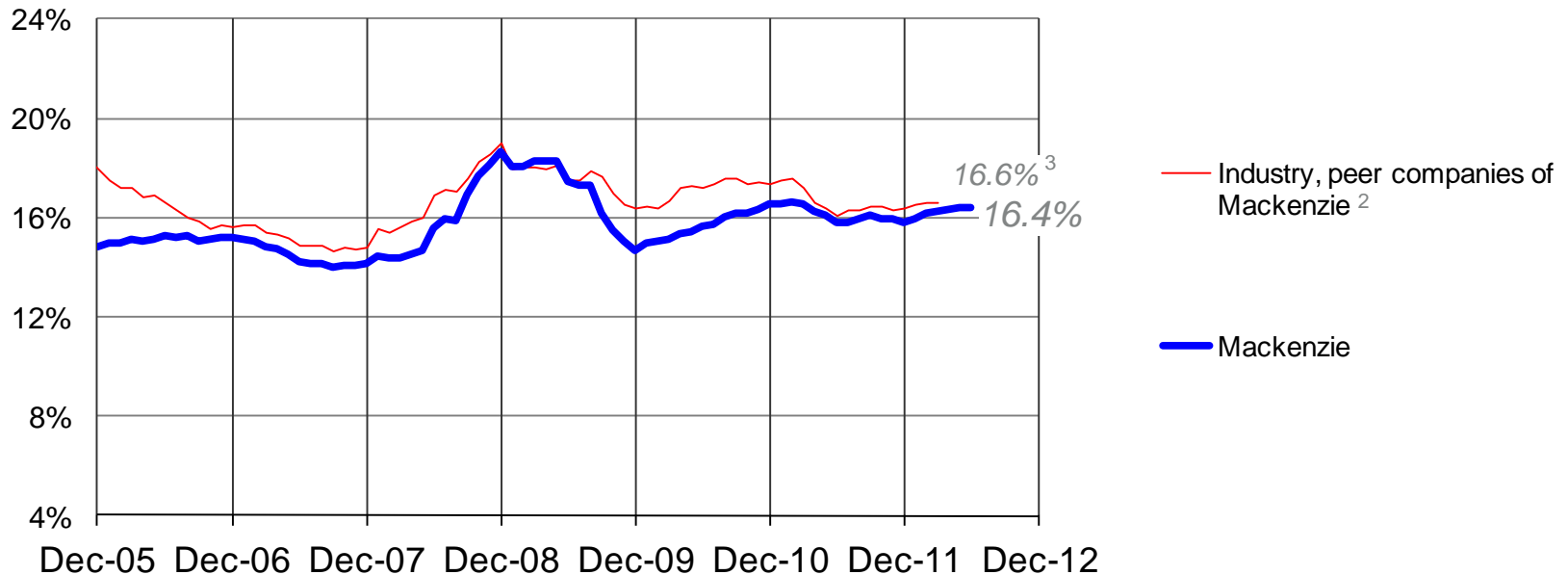
1. Excludes Quadrus funds.

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 16.4% at June 30, 2012.*

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



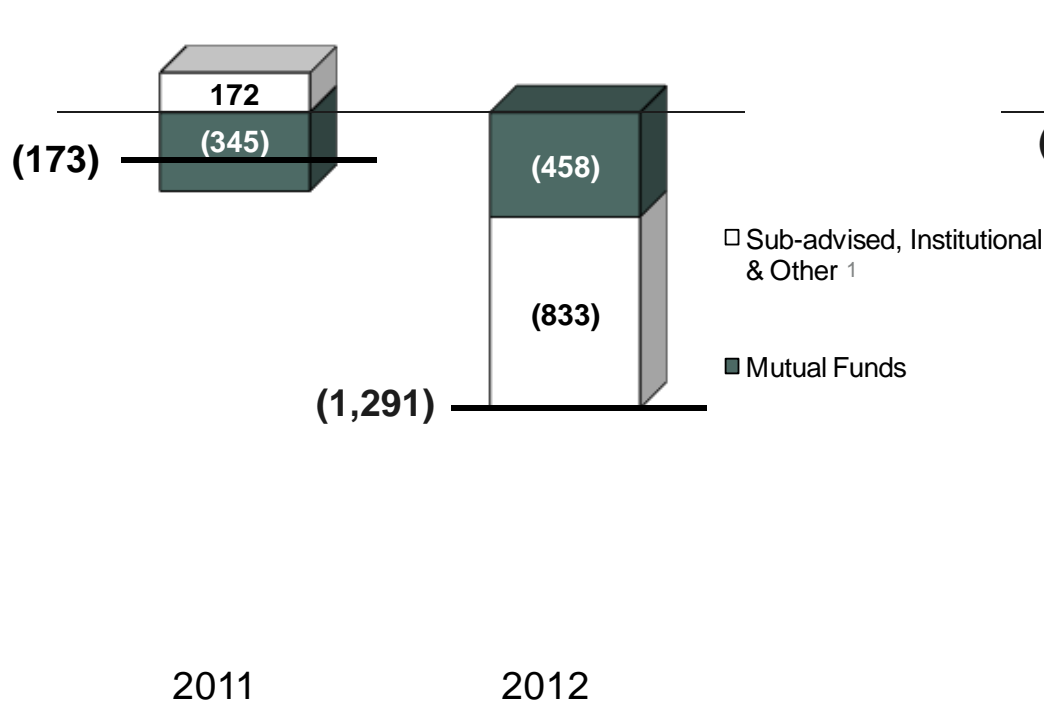
1. All numbers have been restated to exclude CI Investments and Invesco at the time that they discontinued reporting to IFIC. CI discontinued reporting to IFIC during December, 2008 and Invesco discontinued reporting to IFIC October, 2010.
2. Excludes Mackenzie, Investors Group, deposit takers and direct distributors.
3. Twelve month trailing redemption rate as of March 31, 2012.



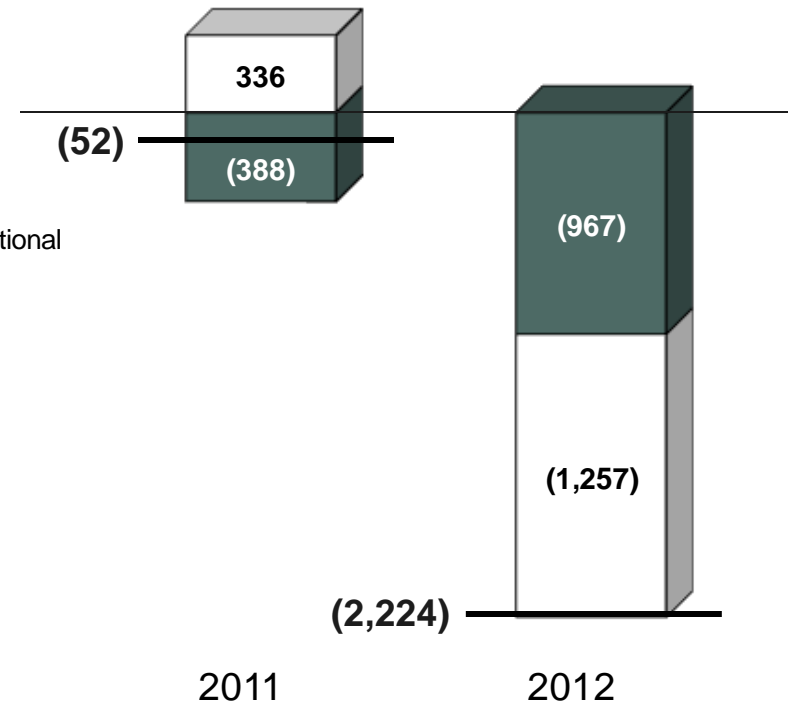
# Mackenzie Net Sales

- *Mackenzie had net redemptions of \$1.3 billion during the second quarter of 2012 and \$2.2 billion 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)

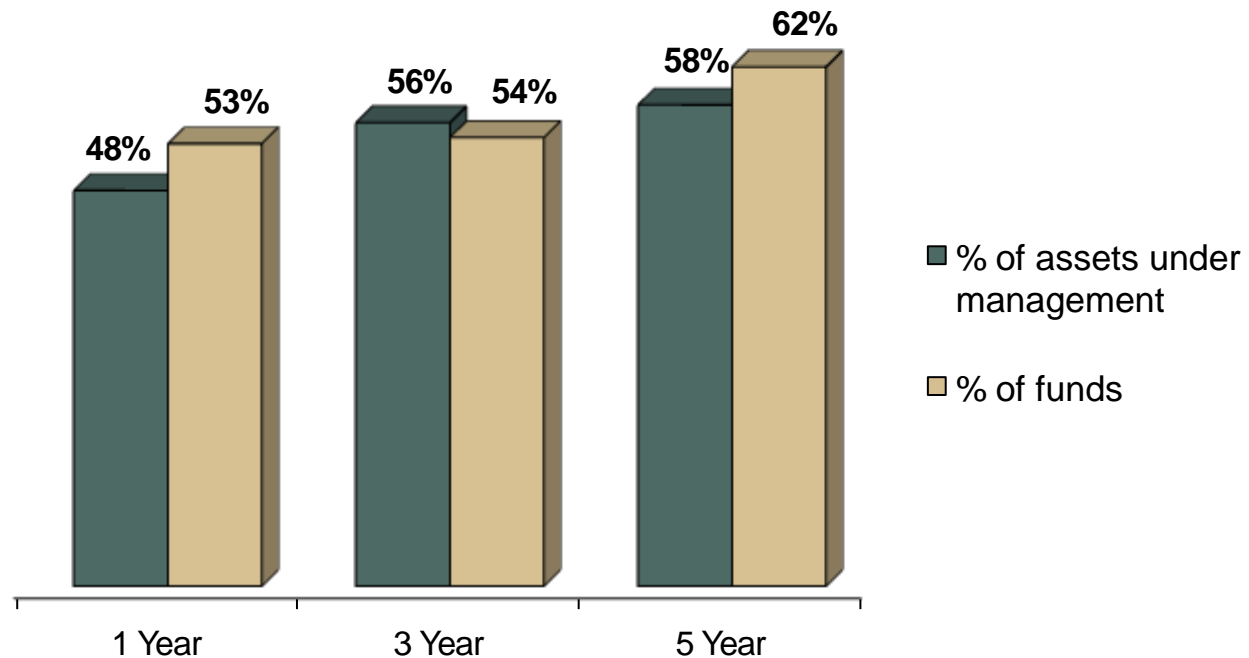


1. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel.

# Mackenzie Investment Performance

- ◆ *58% of Mackenzie's assets and 62% of funds 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, 2012

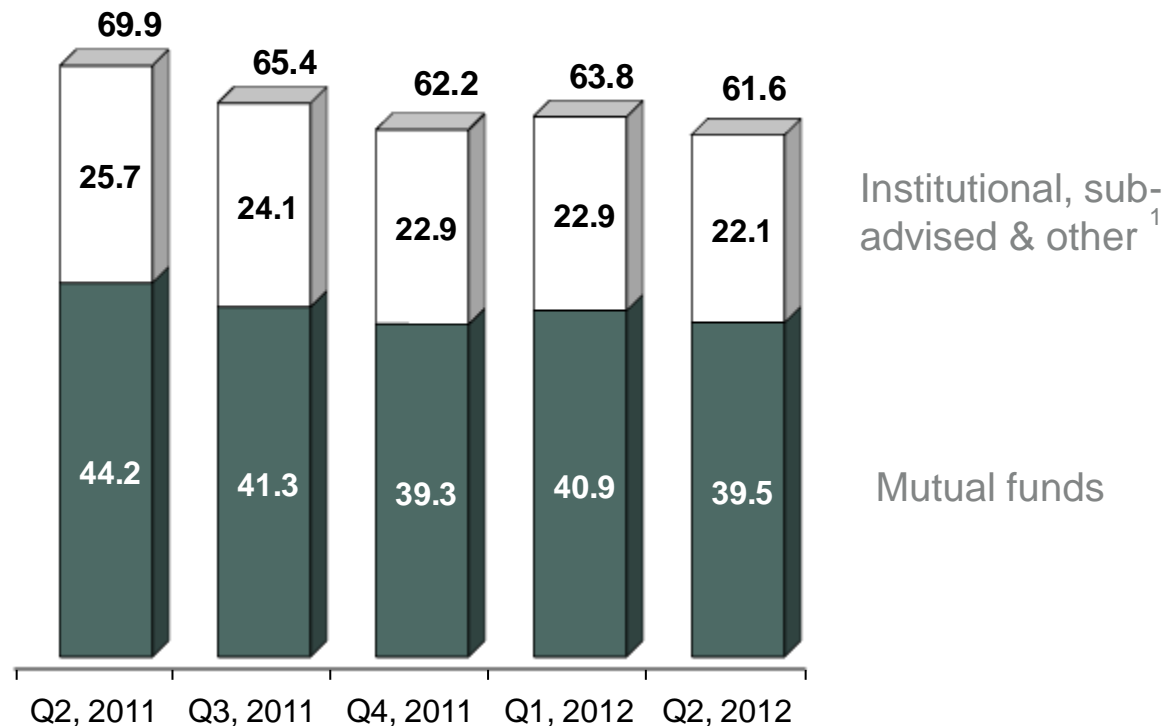


Source: Morningstar

# Mackenzie Assets Under Management

- ♦ *The average balance of total assets under management decreased by 12.0% during Q2, 2012 relative to Q2, 2011, and average mutual fund assets declined by 10.5%.*

Average Assets Under Management  
(\$ Billions)

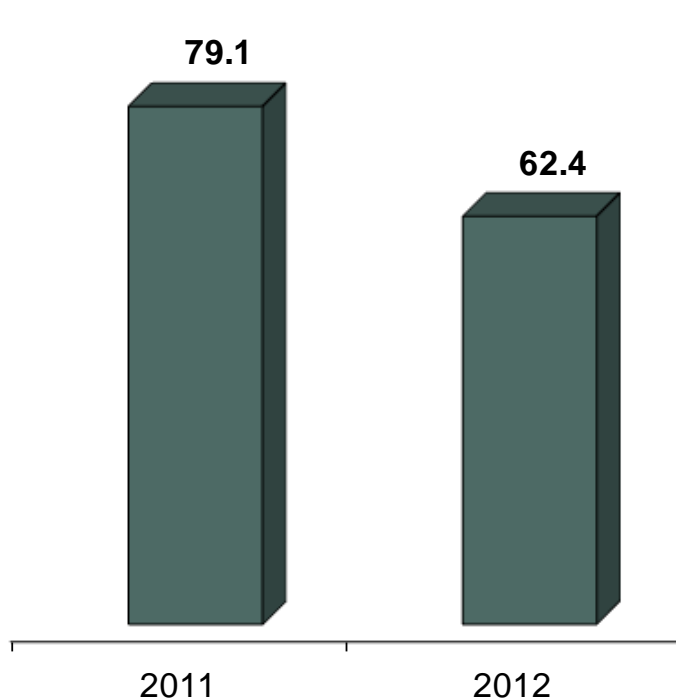


1. Includes sub-advisory mandates of Mackenzie to mutual funds managed by Investors Group and Counsel.

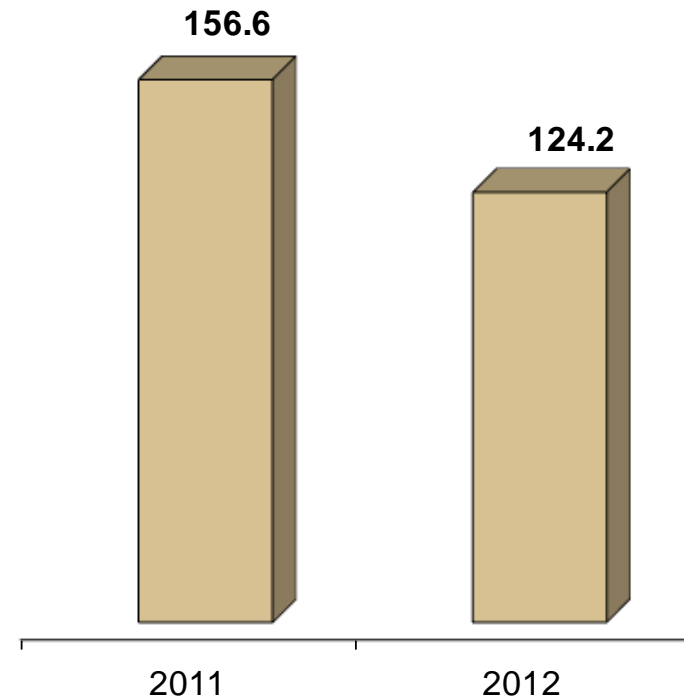
# Mackenzie Operating Segment – EBIT

- ◆ *Mackenzie's Earnings before Interest and Taxes decreased by 21.1% during Q2, 2012 relative to Q2, 2011, and decreased by 20.7% year to date.*

Earnings before Interest & Taxes <sup>1</sup>  
Three months ended June 30  
(\$ Millions)



Earnings before Interest & Taxes <sup>1</sup>  
Six months ended June 30  
(\$ Millions)



1. Please refer to slide 4. Mackenzie operating segment results in 2011 exclude MRS discontinued operations .

# Mackenzie Operating Segment – EBIT

- ◆ *Mackenzie's Operating Earnings before Interest and Taxes were \$62.4 million during the second quarter of 2012.*

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

	<u>2011</u>	<u>2012</u>	<u>Change</u>
Average assets under management (\$ billions)			
Total	69.9	61.6	(12.0%)
Mutual funds	44.2	39.5	(10.5%)
Revenues			
Management fees	181.7	157.4	(13.4%)
Administration fees	27.0	26.9	(0.4%)
Distribution fees	4.8	4.2	(12.5%)
	<u>213.5</u>	<u>188.5</u>	(11.7%)
Net investment income and other	0.1	0.2	100.0%
Total	<u>213.6</u>	<u>188.7</u>	(11.7%)
Expenses			
Commission amortization	23.6	20.3	(14.0%)
Trailing commission	50.4	44.5	(11.7%)
Commission	74.0	64.8	(12.4%)
Non-commission	60.5	61.5	1.7%
Total	<u>134.5</u>	<u>126.3</u>	(6.1%)
Earnings before interest and taxes	<u><b>79.1</b></u>	<u><b>62.4</b></u>	(21.1%)

1. Please refer to slide 4. Mackenzie operating segment results in 2011 exclude MRS discontinued operations.

# Mackenzie Developments

## 1. Investment Management and Product

- 81% of Mackenzie mutual fund assets rated three stars or better by Morningstar at June 30, 2012 compared to 80% for the industry.
- Several fund mergers during the quarter as Mackenzie continues to adjust its product shelf to provide enhanced investment solutions for financial advisors and clients.

## 2. Distribution

- Nine-city tour of Mackenzie University completed with strong attendance during 2012 (over 3,000 financial advisors participated).
- Positive flows into Mackenzie mutual funds through its distribution relationship with Laurentian Bank's branch network.
- Continued focus on and expansion of institutional capabilities – thirteen investment strategies available in Global, Canadian and North American Equity, Canadian Balanced and Canadian Fixed-Income.