CONSOLIDATED STATEMENTS OF EARNINGS

(unaudited) *(in thousands of Canadian dollars, except per share amounts)*	THREE MONTHS ENDED SEPTEMBER 30 2020	 2019	NINE MONTHS ENDED SEPTEMBER 30 2020	 2019
Revenues				
Wealth management	**$ 571,640**	$ 581,100	**$ 1,665,439**	$ 1,711,936
Asset management	**207,412**	201,232	**596,611**	588,891
Dealer compensation expense	**(71,366)**	(69,006)	**(208,843)**	(207,259)
Net asset management	**136,046**	132,226	**387,768**	381,632
Net investment income and other *(Note 7)*	**39,501**	2,043	**45,104**	18,109
Proportionate share of associates' earnings *(Note 7)*	**43,434**	28,902	**106,858**	81,816
	790,621	744,271	**2,205,169**	2,193,493
Expenses				
Advisory and business development	**252,529**	257,127	**757,062**	795,047
Operations and support	**256,361**	180,326	**636,885**	550,537
Sub-advisory	**18,518**	17,369	**52,919**	50,080
Interest	**27,911**	27,764	**82,688**	80,628
	555,319	482,586	**1,529,554**	1,476,292
Earnings before income taxes	**235,302**	261,685	**675,615**	717,201
Income taxes	**44,389**	59,208	**140,284**	159,884
Net earnings	**190,913**	202,477	**535,331**	557,317
Perpetual preferred share dividends	**–**	–	**–**	2,213
Net earnings available to common shareholders	**$ 190,913**	$ 202,477	**$ 535,331**	$ 555,104
Earnings per share *(in dollars) (Note 14)*				
– Basic	**$ 0.80**	$ 0.85	**$ 2.25**	$ 2.32
– Diluted	**$ 0.80**	$ 0.85	**$ 2.25**	$ 2.32

(See accompanying notes to interim condensed consolidated financial statements.)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited) *(in thousands of Canadian dollars)*	THREE MONTHS ENDED SEPTEMBER 30 2020	THREE MONTHS ENDED SEPTEMBER 30 2019	NINE MONTHS ENDED SEPTEMBER 30 2020	NINE MONTHS ENDED SEPTEMBER 30 2019
Net earnings	$ 190,913	$ 202,477	$ 535,331	$ 557,317
Other comprehensive income (loss), net of tax				
Items that will not be reclassified to Net earnings				
Fair value through other comprehensive income investments				
Other comprehensive income (loss) *(Note 4), net of tax of $(39,457), $244, $(39,495), and $(1,829)*	252,811	(1,567)	253,038	11,714
Employee benefits				
Net actuarial gains (losses), *net of tax of $721, $1,095, $5,230 and $14,550*	(1,950)	(2,965)	(14,137)	(39,352)
Investment in associates – employee benefits and other				
Other comprehensive income (loss), *net of tax of nil*	(16,945)	(5,256)	(2,748)	(15,151)
Items that may be reclassified subsequently to Net earnings				
Investment in associates and other				
Other comprehensive income (loss), *net of tax of $(1,126), $2,072, $(1,500) and $5,191*	(6,980)	(30,357)	48,514	(31,091)
	226,936	(40,145)	284,667	(73,880)
Total comprehensive income	$ 417,849	$ 162,332	$ 819,998	$ 483,437

(See accompanying notes to interim condensed consolidated financial statements.)

CONSOLIDATED BALANCE SHEETS

(unaudited) *(in thousands of Canadian dollars)*		SEPTEMBER 30 2020		DECEMBER 31 2019
Assets				
Cash and cash equivalents	$	**992,393**	$	720,005
Other investments *(Note 4)*		**648,445**		357,362
Client funds on deposit		**821,556**		561,269
Accounts and other receivables		**437,578**		394,210
Income taxes recoverable		**27,759**		11,925
Loans *(Note 5)*		**6,743,603**		7,198,043
Derivative financial instruments		**34,582**		15,204
Other assets		**63,827**		45,843
Investment in associates *(Note 7)*		**1,655,821**		1,753,882
Capital assets		**247,815**		216,956
Capitalized sales commissions		**205,562**		149,866
Deferred income taxes		**74,288**		76,517
Intangible assets		**1,249,635**		1,230,127
Goodwill		**2,660,267**		2,660,267
	$	**15,863,131**	$	15,391,476
Liabilities				
Accounts payable and accrued liabilities	$	**443,204**	$	434,957
Income taxes payable		**8,168**		4,867
Derivative financial instruments		**45,238**		17,193
Deposits and certificates		**845,668**		584,331
Other liabilities		**518,154**		441,902
Obligations to securitization entities *(Note 6)*		**6,525,759**		6,913,636
Lease obligations		**109,730**		90,446
Deferred income taxes		**349,982**		305,049
Long-term debt		**2,100,000**		2,100,000
		10,945,903		10,892,381
Shareholders' Equity				
Share capital *(Note 8)*				
Common shares		**1,598,381**		1,597,860
Contributed surplus		**50,849**		48,677
Retained earnings		**3,111,033**		2,980,260
Accumulated other comprehensive income (loss) *(Note 11)*		**156,965**		(127,702)
		4,917,228		4,499,095
	$	**15,863,131**	$	15,391,476

These interim condensed consolidated financial statements were approved and authorized for issuance by the Board of Directors on November 5, 2020.

(See accompanying notes to interim condensed consolidated financial statements.)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

NINE MONTHS ENDED SEPTEMBER 30

(unaudited) *(in thousands of Canadian dollars)*	SHARE CAPITAL PERPETUAL PREFERRED SHARES *(Note 8)*	SHARE CAPITAL COMMON SHARES *(Note 8)*	CONTRIBUTED SURPLUS	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) *(Note 11)*	TOTAL SHAREHOLDERS' EQUITY
2020						
Balance, beginning of period	**$ –**	**$ 1,597,860**	**$ 48,677**	**$ 2,980,260**	**$ (127,702)**	**$ 4,499,095**
Net earnings	–	–	–	535,331	–	535,331
Other comprehensive income (loss), net of tax	–	–	–	–	284,667	284,667
Total comprehensive income	–	–	–	535,331	284,667	819,998
Common shares						
Issued under stock option plan	–	521	–	–	–	521
Stock options						
Current period expense	–	–	2,196	–	–	2,196
Exercised	–	–	(24)	–	–	(24)
Common share dividends	–	–	–	(402,145)	–	(402,145)
Common share cancellation excess and other	–	–	–	(2,413)	–	(2,413)
Balance, end of period	**$ –**	**$ 1,598,381**	**$ 50,849**	**$ 3,111,033**	**$ 156,965**	**$ 4,917,228**
2019						
Balance, beginning of period	$ 150,000	$ 1,611,263	$ 45,536	$ 2,834,998	$ (45,798)	$ 4,595,999
Net earnings	–	–	–	557,317	–	557,317
Other comprehensive income (loss), net of tax	–	–	–	–	(73,880)	(73,880)
Total comprehensive income	–	–	–	557,317	(73,880)	483,437
Redemption of preferred shares	(150,000)	–	–	–	–	(150,000)
Common shares						
Issued under stock option plan	–	4,161	–	–	–	4,161
Purchased for cancellation	–	(18,514)	–	–	–	(18,514)
Stock options						
Current period expense	–	–	2,556	–	–	2,556
Exercised	–	–	(223)	–	–	(223)
Perpetual preferred share dividends	–	–	–	(2,213)	–	(2,213)
Common share dividends	–	–	–	(403,548)	–	(403,548)
Transfer out of fair value through other comprehensive income	–	–	–	21,468	(21,468)	–
Common share cancellation excess and other	–	–	–	(85,633)	–	(85,633)
Balance, end of period	$ –	$ 1,596,910	$ 47,869	$ 2,922,389	$ (141,146)	$ 4,426,022

(See accompanying notes to interim condensed consolidated financial statements.)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited) *(in thousands of Canadian dollars)*	NINE MONTHS ENDED SEPTEMBER 30 2020	2019
Operating activities		
Earnings before income taxes	$ 675,615	$ 717,201
Income taxes paid	(131,859)	(180,446)
Adjustments to determine net cash from operating activities		
Capitalized sales commission amortization	25,788	15,902
Capitalized sales commissions paid	(81,484)	(43,646)
Amortization of capital, intangible and other assets	62,000	59,557
Proportionate share of associates' earnings, net of dividends	(44,110)	(24,263)
Pension and other post-employment benefits	(1,795)	(1,584)
Restructuring provisions and other	74,460	–
Gain on sale of Personal Capital Corporation	(37,232)	–
Changes in operating assets and liabilities and other	(38,711)	9,905
Cash from operating activities before restructuring provision payments	502,672	552,626
Restructuring provision cash payments	(5,067)	(23,884)
	497,605	528,742
Financing activities		
Net (decrease) increase in deposits and certificates	(4,833)	545
Increase in obligations to securitization entities	1,147,867	1,185,701
Repayments of obligations to securitization entities and other	(1,569,728)	(1,393,012)
Repayments of lease obligations	(18,869)	(19,511)
Issue of debentures	–	250,000
Redemption of preferred shares	–	(150,000)
Issue of common shares	498	3,940
Common shares purchased for cancellation	–	(99,963)
Perpetual preferred share dividends paid	–	(4,425)
Common share dividends paid	(402,137)	(405,020)
	(847,202)	(631,745)
Investing activities		
Purchase of other investments	(26,511)	(110,499)
Proceeds from the sale of other investments	21,921	61,546
Increase in loans	(1,333,880)	(1,277,625)
Repayment of loans and other	1,799,511	1,513,354
Net additions to capital assets	(27,512)	(14,066)
Net cash used in additions to intangible assets	(42,549)	(50,379)
Proceeds from sale of Personal Capital Corporation	231,005	–
Investment in Personal Capital Corporation	–	(66,811)
Proceeds from substantial issuer bid *(Note 7)*	–	80,408
	621,985	135,928
Increase in cash and cash equivalents	272,388	32,925
Cash and cash equivalents, beginning of period	720,005	650,228
Cash and cash equivalents, end of period	$ 992,393	$ 683,153
Cash	$ 57,153	$ 62,026
Cash equivalents	935,240	621,127
	$ 992,393	$ 683,153
Supplemental disclosure of cash flow information related to operating activities		
Interest and dividends received	$ 205,543	$ 228,262
Interest paid	$ 195,774	$ 203,927

(See accompanying notes to interim condensed consolidated financial statements.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2020 *(unaudited) (In thousands of Canadian dollars, except shares and per share amounts)*

NOTE 1 CORPORATE INFORMATION

IGM Financial Inc. (the Company) is a publicly listed company (TSX: IGM), incorporated and domiciled in Canada. The registered address of the Company is 447 Portage Avenue, Winnipeg, Manitoba, Canada. The Company is controlled by Power Corporation of Canada.

IGM Financial Inc. is a wealth and asset management company which serves the financial needs of Canadians through its principal subsidiaries, each operating distinctly within the advice segment of the financial services market. The Company's wholly-owned principal subsidiaries are Investors Group Inc. and Mackenzie Financial Corporation (Mackenzie).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited Interim Condensed Consolidated Financial Statements of the Company (Interim Financial Statements) have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, using the accounting policies as set out in this note and in Note 2 to the Consolidated Financial Statements for the year ended December 31, 2019. The Interim Financial Statements should be read in conjunction with the Consolidated Financial Statements in the 2019 IGM Financial Inc. Annual Report.

CHANGES IN PRESENTATION

In the third quarter of 2020, the Company has realigned its reportable segments and made disclosure enhancements to its Consolidated Statements of Earnings to better characterize the Company's business lines and improve transparency into the key drivers of the business. These changes have had no impact on the reported earnings of the Company.

COMPARATIVE FIGURES

The Company has restated comparative figures in its Consolidated Statements of Earnings and Segmented information note to conform to the current period's presentation. The changes had no impact to prior period earnings and no impact to the Consolidated Balance Sheets.

SEGMENT REPORTING

The Company has realigned its reportable segments (Note 16) as follows:

- **Wealth Management** – reflects the activities of operating companies that are principally focused on providing financial planning and related services to Canadian households. This segment includes the activities of IG Wealth Management and Investment Planning Counsel. These firms are retail distribution organizations who serve Canadian households through their securities dealers, mutual fund dealers and other subsidiaries licensed to distribute financial products and services. A majority of the revenues of this segment are derived from providing financial advice and distributing financial products and services to Canadian households. This segment also includes the investment management activities of these organizations, including mutual fund management and discretionary portfolio management services.
- **Asset Management** – reflects the activities of operating companies primarily focused on providing investment management services, and represents the operations of Mackenzie Investments. Investment management services are provided to a suite of investment funds that are distributed through third party dealers and financial advisors, and also through institutional advisory mandates to financial institutions, pensions and other institutional investors.
- **Strategic Investments and Other** – primarily represents the key strategic investments made by the Company, including China Asset Management Co., Ltd., Great-West Lifeco Inc., Wealthsimple Financial Corp., and Portag3 Ventures LPs. Unallocated capital is also included within this segment.

STATEMENTS OF EARNINGS

The Company has reclassified its Statement of Earnings as follows:

- **Wealth management revenue** – revenues earned by the Wealth Management segment for providing financial planning, investment advisory and related financial services. Revenues include financial advisory fees, investment management and related administration fees, distribution revenue associated with insurance and banking products and services, and net investment income and other revenue relating to mortgage lending activities.
- **Asset management revenue** – revenus earned by the Asset Management segment related to investment management advisory and administrative services.
- **Dealer compensation** – asset based and sales based compensation paid to dealers by the Asset Management segment.
- **Advisory and business development expenses** – expenses incurred on activities directly associated with providing financial planning services to clients of the Wealth Management segment. Expenses include compensation, recognition and other support provided to our financial advisors, field management, product and planning specialists; expenses associated with facilities, technology and training relating to our financial advisors and specialists; other business development activities including direct marketing and advertising; and wholesale distribution activities performed by the Asset Management segment. A significant component of these expenses vary directly with levels of assets under management or advisement, business development measures including sales and client acquisition, and the number of advisor and client relationships.
- **Operations and support expenses** – expenses associated with business operations including technology and business processes; in-house investment management and product shelf management; corporate management and support functions. These expenses primarily reflect compensation and technology and other service provider expenses.
- **Sub-advisory expenses** – reflects fees relating to investment management services provided by third party or related party investment management organizations. These fees typically are variable with the level of assets under management. These fees include investment advisory services performed for the Wealth Management segment by the Asset Management segment.

STATEMENTS OF EARNINGS *(continued)*

The following tables provide a reconciliation from current to prior period presentation for the current quarter and year to date Consolidated Statement of Earnings.

THREE MONTHS ENDED SEPTEMBER 30, 2020

PRIOR PRESENTATION		MANAGEMENT AND ADVISORY FEES	ADMINISTRATION FEES	DISTRIBUTION FEES	NET INVESTMENT INCOME AND OTHER	PROPORTIONATE SHARE OF ASSOCIATES' EARNINGS	COMMISSION EXPENSE	NON-COMMISSION EXPENSE	INTEREST EXPENSE	EARNINGS BEFORE INCOME TAXES
		$ 580,933	$ 101,928	$ 83,453	$ 54,970	$ 43,434	$ 272,342	$ 329,163	$ 27,911	$ 235,302
CURRENT PRESENTATION										
Revenues										
Wealth management	$ 571,640	397,633	76,049	82,489	15,469					
Asset management	207,412	183,300	25,879	964				(2,731)		
Dealer compensation	(71,366)						(71,366)			
Net asset management	136,046	183,300	25,879	964			(71,366)	(2,731)		
Net investment income and other	39,501				39,501					
Proportionate share of associates' earnings *(Note 7)*	43,434					43,434				
	790,621	580,933	101,928	83,453	54,970	43,434	(71,366)	(2,731)		
Expenses										
Advisory and business development	252,529						200,976	51,553		
Operations and support	256,361							256,361		
Sub-advisory	18,518							18,518		
Interest	27,911								27,911	
	555,319						200,976	326,432	27,911	
Earnings before income taxes	$ 235,302									

STATEMENTS OF EARNINGS *(continued)*

NINE MONTHS ENDED SEPTEMBER 30, 2020

PRIOR PRESENTATION		MANAGEMENT AND ADVISORY FEES	ADMINISTRATION FEES	DISTRIBUTION FEES	NET INVESTMENT INCOME AND OTHER	PROPORTIONATE SHARE OF ASSOCIATES' EARNINGS	COMMISSION EXPENSE	NON-COMMISSION EXPENSE	INTEREST EXPENSE	EARNINGS BEFORE INCOME TAXES
		$1,682,988	$ 300,217	$ 252,531	$ 79,683	$ 106,858	$ 799,501	$ 864,473	$ 82,688	$ 675,615
CURRENT PRESENTATION										
Revenues										
Wealth management	**$1,665,439**	1,155,783	225,867	249,210	34,579					
Asset management	**596,611**	527,205	74,350	3,321				(8,265)		
Dealer compensation	**(208,843)**						(208,843)			
Net asset management	**387,768**	527,205	74,350	3,321			(208,843)	(8,265)		
Net investment income and other	**45,104**				45,104					
Proportionate share of associates' earnings *(Note 7)*	**106,858**					106,858				
	2,205,169	1,682,988	300,217	252,531	79,683	106,858	(208,843)	(8,265)		
Expenses										
Advisory and business development	**757,062**						590,658	166,404		
Operations and support	**636,885**							636,885		
Sub-advisory	**52,919**							52,919		
Interest	**82,688**								82,688	
	1,529,554						590,658	856,208	82,688	
Earnings before income taxes	**$ 675,615**									

COVID-19

The nine months ended September 30, 2020 were characterized by increased uncertainty due to COVID-19. The Company is closely monitoring the current environment and assessing the impacts, if any, on its significant assumptions related to critical estimates.

FUTURE ACCOUNTING CHANGES

The Company continuously monitors the potential changes proposed by the IASB and analyzes the effect that changes in the standards may have on the Company's operations.

NOTE 3 OPERATIONS AND SUPPORT

During the third quarter, the Company incurred restructuring and other charges of $74.5 million related to the ongoing multi-year transformation initiatives and efforts to enhance our operational effectiveness and also from the acquisition of GLC asset management and other changes to our investment management teams. This included activities to improve efficiency and capabilities by leveraging the scale and expertise of scaled providers through outsourcing partnerships, as well as process automation initiatives relating to key internal processes. During the quarter, the Company announced outsourcing initiatives with Soroc for IT end-user services, with IBM for hosting of mainframe solutions, with Google for cloud-based data storage and other services, and also announced an agreement with CAPCO for process automation. As a result of these initiatives, the Company is recording costs relating to restructuring and downsizing activities as well as impairment of redundant internally generated software assets. During the quarter, the Company also incurred severance and other charges relating to the acquisition of GLC Asset Management as well as other personnel changes.

NOTE 4 OTHER INVESTMENTS

	SEPTEMBER 30, 2020		DECEMBER 31, 2019	
	COST	FAIR VALUE	COST	FAIR VALUE
Fair value through other comprehensive income (FVTOCI)				
Corporate investments	$ 249,359	$ 598,099	$ 244,989	$ 301,196
Fair value through profit or loss (FVTPL)				
Equity securities	1,580	1,487	1,575	1,759
Proprietary investment funds	46,611	48,859	51,304	54,407
	48,191	50,346	52,879	56,166
	$ 297,550	$ 648,445	$ 297,868	$ 357,362

INVESTMENT IN WEALTHSIMPLE

Wealthsimple Financial Corp. (Wealthsimple) is an online investment manager that provides financial investment guidance. As at September 30, 2020, the Company had invested a total of $186.9 million in Wealthsimple through a limited partnership controlled by Power Financial Corporation, a subsidiary of Power Corporation of Canada. The investment is classified at Fair Value Through Other Comprehensive Income.

On October 14, 2020, Wealthsimple announced a $114 million equity fundraising led by TCV, a growth equity investor focused on technology, along with Greylock, Meritech, Two Sigma Ventures and existing investor Allianz X. The purchase price associated with this fundraising values the common equity of Wealthsimple at $1.5 billion ($1.4 billion pre-money valuation).

IGM Financial Inc. holds, directly and indirectly, a 41% interest in Wealthsimple and, subsequent to this fundraising, will hold a 36% interest. At June 30, 2020, its fair value was $252 million. As a result of this valuation, the fair value of the Company's investment has increased by $298 million to $550 million at September 30, 2020.

The total fair value of Corporate investments of $598.1 million is presented net of certain costs incurred within the limited partnership structures holding the underlying investments.

NOTE 5 LOANS

	CONTRACTUAL MATURITY				
	1 YEAR OR LESS	1 – 5 YEARS	OVER 5 YEARS	SEPTEMBER 30 2020 TOTAL	DECEMBER 31 2019 TOTAL
Amortized cost					
Residential mortgages	$ 1,639,031	$ 5,026,153	$ 5,716	$ 6,670,900	$ 7,198,718
Less: Allowance for expected credit losses				808	675
				6,670,092	7,198,043
Fair value through profit or loss				73,511	–
				$ 6,743,603	$ 7,198,043

The change in the allowance for expected credit losses is as follows:

	SEPTEMBER 30 2020	DECEMBER 31 2019
Balance, beginning of period	$ 675	$ 801
Write-offs, net of recoveries	(500)	(863)
Provision for credit losses	633	737
Balance, end of period	$ 808	$ 675

Total credit impaired loans as at September 30, 2020 were $5,109 (December 31, 2019 – $2,381).

The Company is working with clients that have been financially impacted by COVID-19 to defer mortgage payments for up to six months.

The International Accounting Standards Board (IASB) has provided guidance intended to support the consistent application of IFRS requirements related to the assessment of expected credit losses in light of the current uncertainty resulting from the COVID-19 pandemic. Recommendations include assessing whether the risk of default has changed over the life of the mortgages, not applying the expected credit loss mechanically (for example the payment holiday extensions should not automatically result in a significant increase in credit risk), developing estimates based on the best available information about past events, current conditions and forecasts of economic conditions, and continuous monitoring for any possible changes and new information. At September 30, 2020, after incorporating the impact of the mortgage deferral program and the IASB guidance, the Company's allowance for expected credit losses was $808 compared to $675 at December 31, 2019.

Total interest income on loans was $144.8 million (2019 – $164.8 million). Total interest expense on obligations to securitization entities, related to securitized loans, was $115.0 million (2019 – $130.6 million). Gains realized on the sale of residential mortgages totalled $6.1 million (2019 – $2.6 million). Fair value adjustments related to mortgage banking operations totalled negative $4.1 million (2019 – negative $4.5 million). These amounts were included in Wealth management revenue. Wealth management revenue also includes other mortgage banking related items including portfolio insurance, issue costs, and other items.

NOTE 6 SECURITIZATIONS

The Company securitizes residential mortgages through the Canada Mortgage and Housing Corporation (CMHC) sponsored National Housing Act Mortgage-Backed Securities (NHA MBS) Program and Canada Mortgage Bond (CMB) Program and through Canadian bank-sponsored asset-backed commercial paper (ABCP) programs. These transactions do not meet the requirements for derecognition as the Company retains prepayment risk and certain elements of credit risk. Accordingly, the Company has retained these mortgages on its balance sheets and has recorded offsetting liabilities for the net proceeds received as Obligations to securitization entities which are recorded at amortized cost.

NOTE 6 SECURITIZATIONS *(continued)*

The Company earns interest on the mortgages and pays interest on the obligations to securitization entities. As part of the CMB transactions, the Company enters into a swap transaction whereby the Company pays coupons on CMBs and receives investment returns on the NHA MBS and the reinvestment of repaid mortgage principal. A component of this swap, related to the obligation to pay CMB coupons and receive investment returns on repaid mortgage principal, and the hedging swap used to manage exposure to changes in variable rate investment returns, are recorded as derivatives with a negative fair value of $1.8 million at September 30, 2020 (December 31, 2019 – negative $5.8 million).

The Government of Canada has introduced measures to support Canadians through the COVID-19 crisis where mortgage payments can be deferred for up to six months and repaid over the life of the mortgage. Under the NHA MBS and CMB Program, the Company has an obligation to make timely payments to security holders regardless of whether amounts are received from mortgagors. All mortgages securitized under the NHA MBS and CMB Program are insured by CMHC or another approved insurer under the program. As part of the ABCP transactions, the Company has provided cash reserves for credit enhancement which are recorded at cost. Credit risk is limited to these cash reserves and future net interest income as the ABCP Trusts have no recourse to the Company's other assets for failure to make payments when due. Credit risk is further limited to the extent these mortgages are insured.

SEPTEMBER 30, 2020	SECURITIZED MORTGAGES	OBLIGATIONS TO SECURITIZATION ENTITIES	NET
Carrying value			
NHA MBS and CMB Program	$ 3,477,317	$ 3,551,631	$ (74,314)
Bank sponsored ABCP	2,865,326	2,974,128	(108,802)
Total	$ 6,342,643	$ 6,525,759	$ (183,116)
Fair value	$ 6,548,851	$ 6,699,227	$ (150,376)
DECEMBER 31, 2019			
Carrying value			
NHA MBS and CMB Program	$ 3,890,955	$ 3,938,732	$ (47,777)
Bank sponsored ABCP	2,938,910	2,974,904	(35,994)
Total	$ 6,829,865	$ 6,913,636	$ (83,771)
Fair value	$ 6,907,742	$ 6,996,953	$ (89,211)

The carrying value of Obligations to securitization entities, which is recorded net of issue costs, includes principal payments received on securitized mortgages that are not due to be settled until after the reporting period. Issue costs are amortized over the life of the obligation on an effective interest rate basis.

NOTE 7 INVESTMENT IN ASSOCIATES

	LIFECO	CHINA AMC	PERSONAL CAPITAL	TOTAL
SEPTEMBER 30, 2020				
Balance, beginning of period	**$ 896,651**	**$ 662,694**	**$ 194,537**	**$ 1,753,882**
Dividends	**(49,062)**	**(13,686)**	**–**	**(62,748)**
Proportionate share of:				
Earnings (losses)	**81,850**	**29,648**	**(4,640)**	**106,858**
Other comprehensive income (loss) and other adjustments	**13,413**	**34,313**	**8,817**	**56,543**
Disposition	**–**	**–**	**(198,714)**	**(198,714)**
Balance, end of period	**$ 942,852**	**$ 712,969**	**$ –**	**$ 1,655,821**
SEPTEMBER 30, 2019				
Balance, beginning of period	$ 967,829	$ 683,475	$ –	$ 1,651,304
Transfer from corporate investments (FVTOCI)	–	–	216,952	216,952
Proceeds from substantial issuer bid	(80,408)	–	–	(80,408)
Dividends	(47,252)	(10,301)	–	(57,553)
Proportionate share of:				
Earnings (losses)	79,231	22,864	(12,279)	89,816
Associate's one-time loss	(8,000)	–	–	(8,000)
Other comprehensive income (loss) and other adjustments	(12,710)	(44,841)	(1,829)	(59,380)
Balance, end of period	$ 898,690	$ 651,197	$ 202,844	$ 1,752,731

The Company uses the equity method to account for its investments in Great-West Lifeco Inc. (Lifeco) and China Asset Management Co., Ltd. (China AMC) as it exercises significant influence. The equity method was used up to June 29, 2020 to account for the Company's 24.8% equity interest in Personal Capital Corporation (Personal Capital), as it exercised significant influence.

During the quarter, the Company sold its equity interest in Personal Capital to a subsidiary of Lifeco, Empower Retirement, for proceeds of $232.8 million (USD $176.2 million) and up to an additional USD $24.6 million in consideration subject to Personal Capital achieving certain target growth objectives.

As a result of the sale, the Company has derecognized its investment in Personal Capital and recorded an accounting gain of $37.2 million ($31.4 million net of tax) in Net investment and other.

In April 2019, the Company participated on a proportionate basis in the Lifeco substantial issuer bid by selling 2,400,255 of its shares in Lifeco for proceeds of $80.4 million.

In June 2019, Lifeco recorded a one-time loss in relation to the sale of substantially all of its United States individual life insurance and annuity business. The Company's after-tax proportionate share of this loss was $8.0 million.

NOTE 8 SHARE CAPITAL

AUTHORIZED

Unlimited number of:

- First preferred shares, issuable in series
- Second preferred shares, issuable in series
- Class 1 non-voting shares
- Common shares, no par value

NOTE 8 SHARE CAPITAL *(continued)*

ISSUED AND OUTSTANDING

	SEPTEMBER 30, 2020		SEPTEMBER 30, 2019	
	SHARES	STATED VALUE	SHARES	STATED VALUE
Common shares:				
Balance, beginning of period	**238,294,090**	**$ 1,597,860**	240,885,317	$ 1,611,263
Issued under Stock Option Plan	**14,194**	**521**	145,568	4,161
Purchased for cancellation	**–**	**–**	(2,762,788)	(18,514)
Balance, end of period	**238,308,284**	**$ 1,598,381**	238,268,097	$ 1,596,910

NORMAL COURSE ISSUER BID

The Company commenced a normal course issuer bid on March 26, 2019 which was effective until March 25, 2020. Pursuant to this bid, the Company was authorized to purchase up to 4.0 million or 1.7% of its common shares outstanding as at March 14, 2019.

There were no common shares purchased in the nine months ended September 30, 2020. In the nine months ended September 30, 2019, there were 2,762,788 shares purchased at a cost of $100.0 million. The premium paid to purchase the shares in excess of the stated value was charged to Retained earnings.

NOTE 9 CAPITAL MANAGEMENT

The capital management policies, procedures and activities of the Company are discussed in the Capital Resources section of the Company's Management's Discussion and Analysis contained in the Third Quarter 2020 Report to Shareholders and in Note 18 to the Consolidated Financial Statements in the 2019 IGM Financial Inc. Annual Report and have not changed significantly since December 31, 2019.

NOTE 10 SHARE-BASED PAYMENTS

STOCK OPTION PLAN

	SEPTEMBER 30 2020	DECEMBER 31 2019
Common share options		
– Outstanding	**11,939,809**	10,529,360
– Exercisable	**6,296,407**	5,470,178

In the third quarter of 2020, there were 567,200 options granted to employees (2019 – nil). In the nine months ended September 30, 2020 the Company granted 2,104,365 options to employees (2019 – 1,511,540). The weighted-average fair value of options granted during the nine months ended September 30, 2020 has been estimated at $1.43 per option (2019 – $1.82) using the Black-Scholes option pricing model. The weighted-average closing share price at the grant dates was $35.05.

Other assumptions used in these valuation models include:

	NINE MONTHS ENDED SEPTEMBER 30	
	2020	2019
Exercise price	**$ 36.82**	$ 34.34
Risk-free interest rate	**1.11%**	2.07%
Expected option life	**7 years**	7 years
Expected volatility	**18.62%**	18.00%
Expected dividend yield	**6.45%**	6.55%

NOTE 10 SHARE-BASED PAYMENTS *(continued)*

Expected volatility has been estimated based on the historic volatility of the Company's share price over seven years which is reflective of the expected option life. Options vest over a period of up to 7.5 years from the grant date and are exercisable no later than 10 years after the grant date.

NOTE 11 ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

SEPTEMBER 30, 2020	EMPLOYEE BENEFITS	OTHER INVESTMENTS	INVESTMENT IN ASSOCIATES AND OTHER	TOTAL
Balance, beginning of period	**$ (165,947)**	**$ 46,363**	**$ (8,118)**	**$ (127,702)**
Other comprehensive income (loss)	**(14,137)**	**253,038**	**45,766**	**284,667**
Balance, end of period	**$ (180,084)**	**$ 299,401**	**$ 37,648**	**$ 156,965**
SEPTEMBER 30, 2019				
Balance, beginning of period	$ (149,052)	$ 57,234	$ 46,020	$ (45,798)
Other comprehensive income (loss)	(39,352)	11,714	(46,242)	(73,880)
Transfer out of FVTOCI	–	(21,468)	–	(21,468)
Balance, end of period	$ (188,404)	$ 47,480	$ (222)	$ (141,146)

Amounts are recorded net of tax.

The Company's Investment in associates are either foreign entities or have significant foreign operations. The $45.8 million adjustment reflects changes in foreign exchange rates which are charged to Other comprehensive income.

NOTE 12 RISK MANAGEMENT

The risk management policies and procedures of the Company are discussed in the Financial Instruments Risk section of the Company's Management's Discussion and Analysis contained in the Third Quarter 2020 Report to Shareholders and in Note 21 to the Consolidated Financial Statements in the 2019 IGM Financial Inc. Annual Report and have not changed significantly since December 31, 2019.

COVID-19 RELATED IMPACTS

The Company has identified impacts to its financial risks due to COVID-19 in the following areas:

LIQUIDITY AND FUNDING

The Government of Canada has introduced measures to support Canadians through the COVID-19 crisis where mortgage payments can be deferred for up to six months and repaid over the life of the mortgage.

As the Company securitizes mortgages through the NHA MBS program, it is obligated to make timely payment of interest and principal payments, which will create a timing difference between the receipt of cash from clients deferring mortgage payments and the payment to the NHA MBS program of those amounts. All mortgages in the NHA MBS program are insured against default.

The Company believes its ongoing cash flows from operations, available cash balances, and liquidity available through its lines of credit are sufficient to address the Company's liquidity needs.

NOTE 12 RISK MANAGEMENT *(continued)*

CREDIT RISK

The Company's allowance for expected credit losses was $0.8 million at September 30, 2020, compared to $0.7 million at December 31, 2019, and is considered adequate by management to absorb all credit-related losses in the mortgage portfolios based on: i) historical credit performance experience, ii) recent trends including the economic impact of COVID-19 and Canada's COVID-19 Economic Response Plan to support Canadians and businesses, iii) current portfolio credit metrics and other relevant characteristics, iv) our strong financial planning relationship with our clients, and v) stress testing of losses under adverse real estate market conditions.

The Company's exposure to and management of credit risk related to mortgage portfolios have not changed materially since December 31, 2019.

NOTE 13 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair values are management's estimates and are calculated using market conditions at a specific point in time and may not reflect future fair values. The calculations are subjective in nature, involve uncertainties and are matters of significant judgment.

All financial instruments measured at fair value and those for which fair value is disclosed are classified into one of three levels that distinguish fair value measurements by the significance of the inputs used for valuation.

Fair value is determined based on the price that would be received for an asset or paid to transfer a liability in the most advantageous market, utilizing a hierarchy of three different valuation techniques, based on the lowest level input that is significant to the fair value measurement in its entirety.

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Observable inputs other than Level 1 quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or inputs other than quoted prices that are observable or corroborated by observable market data; and

Level 3 – Unobservable inputs that are supported by little or no market activity. Valuation techniques are primarily model-based.

Markets are considered inactive when transactions are not occurring with sufficient regularity. Inactive markets may be characterized by a significant decline in the volume and level of observed trading activity or through large or erratic bid/offer spreads. In those instances where traded markets are not considered sufficiently active, fair value is measured using valuation models which may utilize predominantly observable market inputs (Level 2) or may utilize predominantly non-observable market inputs (Level 3). Management considers all reasonably available information including indicative broker quotations, any available pricing for similar instruments, recent arm's length market transactions, any relevant observable market inputs, and internal model-based estimates. Management exercises judgment in determining the most appropriate inputs and the weighting ascribed to each input as well as in the selection of valuation methodologies.

Fair value is determined using the following methods and assumptions:

Other investments and other financial assets and financial liabilities are valued using quoted prices from active markets, when available. When a quoted market price is not readily available, valuation techniques are used that require assumptions related to discount rates and the timing and amount of future cash flows. Wherever possible, observable market inputs are used in the valuation techniques.

Loans classified as Level 2 are valued using market interest rates for loans with similar credit risk and maturity.

Loans classified as Level 3 are valued by discounting the expected future cash flows at prevailing market yields.

Obligations to securitization entities are valued by discounting the expected future cash flows at prevailing market yields for securities issued by these securitization entities having similar terms and characteristics.

Deposits and certificates are valued by discounting the contractual cash flows using market interest rates currently offered for deposits with similar terms and credit risks.

Long-term debt is valued using quoted prices for each debenture available in the market.

Derivative financial instruments are valued based on quoted market prices, where available, prevailing market rates for instruments with similar characteristics and maturities, or discounted cash flow analysis.

Level 1 financial instruments include exchange-traded equity investments and open-end investment fund units and other financial liabilities in instances where there are quoted prices available from active markets.

Level 2 assets and liabilities include fixed income securities, loans, derivative financial instruments, deposits and certificates and long-term debt. The fair value of fixed income securities is determined using quoted market prices or independent dealer price quotes. The fair value of derivative financial instruments and deposits and certificates are determined using valuation models, discounted cash flow methodologies, or similar techniques using primarily observable market inputs. The fair value of long-term debt is determined using indicative broker quotes.

Level 3 assets and liabilities include investments with little or no trading activity valued using broker-dealer quotes, loans, other financial assets, obligations to securitization entities and derivative financial instruments. Derivative financial instruments consist of principal reinvestment account swaps which represent the component of a swap entered into under the CMB Program whereby the Company pays coupons on Canada Mortgage Bonds and receives investment returns on the reinvestment of repaid mortgage principal. Fair value is determined by discounting the projected cashflows of the swaps. The notional amount, which is an input used to determine the fair value of the swap, is determined using an average unobservable prepayment rate of 15% which is based on historical prepayment patterns. An increase (decrease) in the assumed mortgage prepayment rate increases (decreases) the notional amount of the swap.

The following table presents the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. The table distinguishes between those financial instruments recorded at fair value and those recorded at amortized cost. The table also excludes fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. These items include cash and cash equivalents, accounts and other receivables, certain other financial assets, accounts payable and accrued liabilities and certain other financial liabilities.

		FAIR VALUE			
	CARRYING VALUE	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
SEPTEMBER 30, 2020					
Financial assets recorded at fair value					
Other investments					
– FVTOCI	$ 598,099	$ –	$ –	$ 598,099	$ 598,099
– FVTPL	50,346	50,011	–	335	50,346
Loans					
– FVTPL	73,511	–	73,511	–	73,511
Derivative financial instruments	34,582	–	31,997	2,585	34,582
Financial assets recorded at amortized cost					
Loans					
– Amortized cost	6,670,092	–	329,479	6,548,850	6,878,329
Financial liabilities recorded at fair value					
Derivative financial instruments	45,238	–	19,946	25,292	45,238
Financial liabilities recorded at amortized cost					
Deposits and certificates	845,668	–	846,100	–	846,100
Obligations to securitization entities	6,525,759	–	–	6,699,227	6,699,227
Long-term debt	2,100,000	–	2,605,080	–	2,605,080

NOTE 13 FAIR VALUE OF FINANCIAL INSTRUMENTS *(continued)*

	CARRYING VALUE	FAIR VALUE LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
DECEMBER 31, 2019					
Financial assets recorded at fair value					
Other investments					
– FVTOCI	$ 301,196	$ –	$ –	$ 301,196	$ 301,196
– FVTPL	56,166	55,603	–	563	56,166
Derivative financial instruments	15,204	–	10,762	4,442	15,204
Financial assets recorded at amortized cost					
Loans					
– Amortized cost	7,198,043	–	366,020	6,907,743	7,273,763
Financial liabilities recorded at fair value					
Derivative financial instruments	17,193	–	11,845	5,348	17,193
Financial liabilities recorded at amortized cost					
Deposits and certificates	584,331	–	584,662	–	584,662
Obligations to securitization entities	6,913,636	–	–	6,996,953	6,996,953
Long-term debt	2,100,000	–	2,453,564	–	2,453,564

There were no significant transfers between Level 1 and Level 2 in the third quarter of 2020 and 2019.

The following table provides a summary of changes in Level 3 assets and liabilities measured at fair value on a recurring basis.

	BALANCE JANUARY 1	GAINS (LOSSES) INCLUDED IN NET EARNINGS[1]	GAINS (LOSSES) INCLUDED IN OTHER COMPREHENSIVE INCOME	PURCHASES AND ISSUANCES	SETTLEMENTS	TRANSFERS IN (OUT)	BALANCE SEPTEMBER 30
SEPTEMBER 30, 2020							
Other investments							
– FVTOCI	**$ 301,196**	**$ –**	**$ 292,532**	**$ 4,371**	**$ –**	**$ –**	**$ 598,099**
– FVTPL	**563**	**(228)**	**–**	**–**	**–**	**–**	**335**
Derivative financial instruments, net	**(906)**	**(26,649)**	**–**	**1,466**	**(3,382)**	**–**	**(22,707)**
SEPTEMBER 30, 2019							
Other investments							
– FVTOCI	$ 372,396	$ –	$ 13,542	$ 59,362	$ –	$ (150,141)[2]	$ 295,159
– FVTPL	552	67	–	–	–	–	619
Derivative financial instruments, net	4,899	(11,226)	–	(1,551)	(473)	–	(7,405)

(1) Included in Net investment income in the Consolidated Statements of Earnings.

(2) Reclassification of investment in Personal Capital from Other investments (FVTOCI) to Investment in associates (equity method).

NOTE 14 EARNINGS PER COMMON SHARE

	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2020	2019	**2020**	2019
Earnings				
Net earnings	**$ 190,913**	$ 202,477	**$ 535,331**	$ 557,317
Perpetual preferred share dividends	**–**	–	**–**	2,213
Net earnings available to common shareholders	**$ 190,913**	$ 202,477	**$ 535,331**	$ 555,104
Number of common shares *(in thousands)*				
Weighted average number of common shares outstanding	**238,308**	238,266	**238,306**	239,381
Add: Potential exercise of outstanding stock options[1]	**–**	105	**–**	23
Average number of common shares outstanding – diluted basis	**238,308**	238,371	**238,306**	239,404
Earnings per common share *(in dollars)*				
– Basic	**$ 0.80**	$ 0.85	**$ 2.25**	$ 2.32
– Diluted	**$ 0.80**	$ 0.85	**$ 2.25**	$ 2.32

(1) *Excludes 3,023 thousand shares for the three months ended September 30, 2020 (2019 – 1,493 thousand) related to outstanding stock options that were anti-dilutive. Excludes 3,056 thousand shares for the nine months ended September 30, 2020 (2019 – 1,784 thousand) related to outstanding stock options that were anti-dilutive.*

NOTE 15 COVID-19

Governments worldwide have enacted emergency measures to combat the spread of a novel strain of coronavirus (COVID-19). These measures, which include the implementation of travel bans, closing of non-essential businesses, self-imposed quarantine periods and social distancing, have caused significant volatility and weakness in global equity markets and material disruption to businesses globally resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

The Company has implemented its business continuity plan as a result of these events, which has included moving substantially all employees and consultants to work from home and further supporting the Company's information technology infrastructure.

The duration and full impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. As a result, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods.

NOTE 16 SEGMENTED INFORMATION

The Company's reportable segments are:

- Wealth Management
- Asset Management
- Strategic Investments and Other

These segments reflect the Company's internal financial reporting and performance measurement.

- **Wealth Management** – reflects the activities of operating companies that are principally focused on providing financial planning and related services to Canadian households. This segment includes the activities of IG Wealth Management and Investment Planning Counsel. These firms are retail distribution organizations who serve Canadian households through their securities dealers, mutual fund dealers and other subsidiaries licensed to distribute financial products and services. A majority of the revenues of this segment are derived from providing financial advice and distributing financial products and services to Canadian households. This segment also includes the investment management activities of these organizations, including mutual fund management and discretionary portfolio management services.

- **Asset Management** – reflects the activities of operating companies primarily focused on providing investment management services, and represents the operations of Mackenzie Investments. Investment management services are provided to a suite of investment funds that are distributed through third party dealers and financial advisors, and also through institutional advisory mandates to financial institutions, pensions and other institutional investors.
- **Strategic Investments and Other** – primarily represents the key strategic investments made by the Company, including China Asset Management Co., Ltd., Great-West Lifeco Inc., Wealthsimple Financial Corp., and Portag3 Ventures LPs. Unallocated capital is also included within this segment.

2020

THREE MONTHS ENDED SEPTEMBER 30	WEALTH MANAGEMENT	ASSET MANAGEMENT	STRATEGIC INVESTMENTS AND OTHER	INTERSEGMENT	TOTAL SEGMENT	ADJUSTMENTS[1]	TOTAL
Revenues							
Wealth management	$ 575,798	$ –	$ –	$ (4,158)	$ 571,640	$ –	$ 571,640
Asset management	–	233,142	–	(25,730)	207,412	–	207,412
Dealer compensation	–	(75,508)	–	4,142	(71,366)	–	(71,366)
Net asset management	–	157,634	–	(21,588)	136,046	–	136,046
Net investment income and other	615	1,087	612	(45)	2,269	37,232	39,501
Proportionate share of associates' earnings *(Note 7)*	–	–	43,434	–	43,434	–	43,434
	576,413	158,721	44,046	(25,791)	753,389	37,232	790,621
Expenses							
Advisory and business development	236,461	16,070	–	(2)	252,529	–	252,529
Operations and support	111,224	69,600	1,137	(60)	181,901	74,460	256,361
Sub-advisory	41,705	2,542	–	(25,729)	18,518	–	18,518
	389,390	88,212	1,137	(25,791)	452,948	74,460	527,408
Earnings before undernoted	$ 187,023	$ 70,509	$ 42,909	$ –	300,441	(37,228)	263,213
Interest expense[2]					(27,911)	–	(27,911)
Gain on sale of Personal Capital					37,232	(37,232)	–
Restructuring and other charges					(74,460)	74,460	–
Earnings before income taxes					235,302	–	235,302
Income taxes					44,389	–	44,389
Net earnings available to common shareholders					$ 190,913	$ –	$ 190,913

(1) Gain on sale of Personal Capital and Restructuring and other changes are not related to a specific segment and therefore excluded from segment results. These items have been added back to their respective revenue or expense line item to reconcile Total Segment results to the Company's Consolidated Statements of Earnings.

(2) Interest expense includes interest on long-term debt and interest on leases.

NOTE 16 SEGMENTED INFORMATION *(continued)*

2019

THREE MONTHS ENDED SEPTEMBER 30	WEALTH MANAGEMENT	ASSET MANAGEMENT	STRATEGIC INVESTMENTS AND OTHER	INTERSEGMENT	TOTAL
Revenues					
Wealth management	$ 585,235	$ –	$ –	$ (4,135)	$ 581,100
Asset management	–	227,544	–	(26,312)	201,232
Dealer compensation	–	(73,005)	–	3,999	(69,006)
Net asset management	–	154,539	–	(22,313)	132,226
Net investment income and other	2,010	(1,354)	1,460	(73)	2,043
Proportionate share of associates' earnings *(Note 7)*	–	–	28,902	–	28,902
	587,245	153,185	30,362	(26,521)	744,271
Expenses					
Advisory and business development	239,743	17,468	–	(84)	257,127
Operations and support	107,222	72,704	525	(125)	180,326
Sub-advisory	41,081	2,600	–	(26,312)	17,369
	388,046	92,772	525	(26,521)	454,822
Earnings before undernoted	$ 199,199	$ 60,413	$ 29,837	$ –	289,449
Interest expense[1]					(27,764)
Earnings before income taxes					261,685
Income taxes					59,208
Net earnings available to common shareholders					$ 202,477

(1) Interest expense includes interest on long-term debt and interest on leases.

NOTE 16 SEGMENTED INFORMATION *(continued)*

2020

NINE MONTHS ENDED SEPTEMBER 30	WEALTH MANAGEMENT	ASSET MANAGEMENT	STRATEGIC INVESTMENTS AND OTHER	INTERSEGMENT	TOTAL SEGMENT	ADJUSTMENTS[1]	TOTAL
Revenues							
Wealth management	$ 1,677,528	$ –	$ –	$ (12,089)	$ 1,665,439	$ –	$ 1,665,439
Asset management	–	671,439	–	(74,828)	596,611	–	596,611
Dealer compensation	–	(220,908)	–	12,065	(208,843)	–	(208,843)
Net asset management	–	450,531	–	(62,763)	387,768	–	387,768
Net investment income and other	1,255	1,842	4,912	(137)	7,872	37,232	45,104
Proportionate share of associates' earnings *(Note 7)*	–	–	106,858	–	106,858	–	106,858
	1,678,783	452,373	111,770	(74,989)	2,167,937	37,232	2,205,169
Expenses							
Advisory and business development	705,163	51,909	–	(10)	757,062	–	757,062
Operations and support	340,412	219,024	3,140	(151)	562,425	74,460	636,885
Sub-advisory	120,502	7,245	–	(74,828)	52,919	–	52,919
	1,166,077	278,178	3,140	(74,989)	1,372,406	74,460	1,446,866
Earnings before undernoted	$ 512,706	$ 174,195	$ 108,630	$ –	795,531	(37,228)	758,303
Interest expense[2]					(82,688)	–	(82,688)
Gain on sale of Personal Capital					37,232	(37,232)	–
Restructuring and other charges					(74,460)	74,460	–
Earnings before income taxes					675,615	–	675,615
Income taxes					140,284	–	140,284
Net earnings available to common shareholders					$ 535,331	$ –	$ 535,331
Identifiable assets	$ 9,751,194	$ 1,345,287	$ 2,836,847	$ (730,464)	$13,202,864		
Goodwill	1,491,687	1,168,580	–	–	2,660,267		
Total assets	$11,242,881	$ 2,513,867	$ 2,836,847	$ (730,464)	$15,863,131		

(1) Gain on sale of Personal Capital and Restructuring and other changes are not related to a specific segment and therefore excluded from segment results. These items have been added back to their respective revenue or expense line item to reconcile Total Segment results to the Company's Consolidated Statements of Earnings.

(2) Interest expense includes interest on long-term debt and interest on leases.

NOTE 16 SEGMENTED INFORMATION *(continued)*

2019

NINE MONTHS ENDED SEPTEMBER 30	WEALTH MANAGEMENT	ASSET MANAGEMENT	STRATEGIC INVESTMENTS AND OTHER	INTERSEGMENT	TOTAL SEGMENT	ADJUSTMENTS[1]	TOTAL
Revenues							
Wealth management	$ 1,724,147	$ –	$ –	$ (12,211)	$ 1,711,936	$ –	$ 1,711,936
Asset management	–	666,929	–	(78,038)	588,891	–	588,891
Dealer compensation	–	(219,003)	–	11,744	(207,259)	–	(207,259)
Net asset management	–	447,926	–	(66,294)	381,632	–	381,632
Net investment income and other	9,083	4,495	4,745	(214)	18,109	–	18,109
Proportionate share of associates' earnings *(Note 7)*	–	–	89,816	–	89,816	(8,000)	81,816
	$ 1,733,230	$ 452,421	$ 94,561	$ (78,719)	$ 2,201,493	$ (8,000)	$ 2,193,493
Expenses							
Advisory and business development	737,905	57,453	–	(311)	795,047	–	795,047
Operations and support	331,776	217,497	1,636	(372)	550,537	–	550,537
Sub-advisory	120,019	8,097	–	(78,036)	50,080	–	50,080
	1,189,700	283,047	1,636	(78,719)	1,395,664	–	1,395,664
Earnings before undernoted	$ 543,530	$ 169,374	$ 92,925	$ –	805,829	(8,000)	797,829
Interest expense[2]					(80,628)	–	(80,628)
Proportionate share of associate's one-time loss					(8,000)	8,000	–
Earnings before income taxes					717,201	–	717,201
Income taxes					159,884	–	159,884
Net earnings					557,317	–	557,317
Perpetual preferred share dividends					2,213	–	2,213
Net earnings available to common shareholders					$ 555,104	$ –	$ 555,104
Identifiable assets	$ 9,661,265	$ 1,307,486	$ 2,344,586	$ (399,201)	$ 12,914,136		
Goodwill	1,491,687	1,168,580	–	–	2,660,267		
Total assets	$ 11,152,952	$ 2,476,066	$ 2,344,586	$ (399,201)	$ 15,574,403		

(1) Proportionate share of associate's one-time loss is not related to a specific segment and therefore excluded from segment results. This item has been added back to their respective revenue or expense line item to reconcile Total Segment results to the Company's Consolidated Statements of Earnings.

(2) Interest expense includes interest on long-term debt and interest on leases.

NOTE 17 ACQUISITIONS

GLC ASSET MANAGEMENT GROUP LTD. (GLC)

On August 4, 2020, the Company's subsidiary, Mackenzie, entered into a definitive agreement to acquire all of the common shares of GLC, a wholly-owned subsidiary of The Canada Life Assurance Company (Canada Life), for cash consideration of $175 million. Canada Life is a wholly-owned subsidiary of Lifeco.

As part of the transaction, Canada Life will acquire the fund management contracts relating to private label Quadrus Group of Funds (QGOF) from Mackenzie for cash consideration of $30 million. Mackenzie is currently the manager and trustee of the QGOF. Subsequent to the sale, Mackenzie will continue to provide investment and administration services to the QGOF.

The transaction is expected to close in the fourth quarter of 2020 subject to customary closing conditions, including regulatory approvals.

NORTHLEAF CAPITAL PARTNERS LTD. (NORTHLEAF)

On October 28, 2020, the Company's subsidiary, Mackenzie, together with Lifeco, acquired a non-controlling interest in Northleaf Capital Partners Ltd. (Northleaf) through an acquisition vehicle 80% owned by Mackenzie and 20% owned by Lifeco for cash consideration of $241 million and up to an additional $245 million in consideration at the end of five years subject to the business achieving certain exceptional growth in performance measures over the period.

The acquisition vehicle owned by Mackenzie and Lifeco acquired a 49.9% non-controlling voting interest and a 70% economic interest in Northleaf. Mackenzie and Lifeco have an obligation and right to purchase an additional equity and voting interest in the firm commencing in approximately five years and extending into future periods.