



# SUPPLEMENTAL INFORMATION

## Q4 2020 Net Earnings

(UNAUDITED)

Disclosure Enhancements - revised to reflect reportable segments on a Net Earnings basis

March 10, 2021



# Notes to Users

## Cautionary Note on Financial Information

- The financial information in this document is not audited and should be read in conjunction with both the Consolidated Financial Statements and Management’s Discussion and Analysis (MD&A) for the three and twelve months ended December 31, 2020 as well as the IGM Financial Inc. 2019 Annual Report, all of which are available on the Company’s website at [www.igmfinancial.com](http://www.igmfinancial.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:
  - Adjusted net 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.
- “Adjusted net earnings available to common shareholders”, “adjusted diluted earnings per share” (EPS) and “adjusted return on average common equity” (ROE) are non-IFRS financial measures which are used to provide management and investors with additional measures to assess earnings performance. These non-IFRS financial measures do not have standard meanings prescribed by IFRS and may not be directly comparable to similar measures used by other companies.
- “Earnings before interest and taxes” (EBIT), “adjusted earnings before interest and taxes” (Adjusted EBIT), “earnings before interest, taxes, depreciation and amortization before sales commissions” (EBITDA before sales commissions), and “earnings before interest, taxes, depreciation and amortization after sales commissions” (EBITDA after sales commissions) are also non-IFRS financial measures. EBIT, adjusted EBIT, EBITDA before sales commissions and EBITDA after sales commissions are alternative measures of performance utilized by management, investors and investment analysts to evaluate and analyze the Company’s results. EBITDA before sales commissions excludes all mutual fund sales commissions and is comparable to prior periods. EBITDA after sales commissions includes all sales commissions and highlights aggregate cash flows. Other items of a non-recurring nature, or that could make the period-over-period comparison of results from operations less meaningful, are further excluded to arrive at EBITDA before sales commissions and EBITDA after sales commissions. These non-IFRS financial measures do not have standard meanings prescribed by IFRS and may not be directly comparable to similar measures used by other companies.
- “Earnings before income taxes” and “net earnings available to common shareholders” are additional IFRS measures which are used to provide management and investors with additional measures to assess earnings performance. These measures are considered additional IFRS measures as they are in addition to the minimum line items required by IFRS and are relevant to an understanding of the entity’s financial performance.
- We refer you to the MD&A for reconciliation of non-IFRS financial measures to reported results in accordance with IFRS.

# Notes to Users

## Reporting changes

Effective Q1, 2021, IGM Financial will be expanding its reportable segment disclosures to go to “adjusted net earnings” line whereas previously it went to “earnings before interest & taxes”.

## Objectives

- Better reflect the business performance of underlying segments
- Reflect the capacity for financial leverage within the segments
- Encourage sum-of-parts approach to value assessment
- Simplify work required by analysts and institutional investors and encourage a consistent approach

## Approach

- Debt and interest allocated to each segment based on management’s assessment of: i) capacity to service the debt, and ii) where the debt is being serviced
- Income tax expense allocated to each segment

This supplemental presentation has been revised to reflect segmented earnings on this basis retrospectively to Q1, 2019.

Note that figures in tables may not add due to rounding.

# Notes to Users

## Other items

- Other items for the three month period ending December 31, 2020 consisted of :
  - A gain on the sale of the Quadrus Group of Funds (QGOF) net of acquisitions costs, of \$21.4 million after-tax (\$25.2 million pre-tax).
  - The Company's proportionate share in Great-West Lifeco Inc.'s after-tax adjustments related to the revaluation of a deferred tax asset less certain restructuring and transaction costs, of \$3.4 million.
- Other items for the three month period ending September 30, 2020 consisted of :
  - A gain on the sale of the investment in Personal Capital Corporation of \$31.4 million after-tax (\$37.2 million pre-tax).
  - Restructuring and other charges of \$54.7 million after-tax (\$74.5 million pre-tax) resulting from our ongoing multi-year transformation initiatives and efforts to enhance our operational effectiveness and also from the acquisition of GLC Asset Management Group Ltd. (GLC) and other changes to our investment management teams.
- Other items for the three month period ending December 31, 2019 consisted of :
  - An After-tax charges of \$9.2 million representing the Company's proportionate share in Great-West Lifeco Inc.'s adjustments related to the revaluation of a deferred tax asset, restructuring costs and the net gain on the Scottish Friendly transaction.
- Other items for the three month period ending June 30, 2019 consisted of :
  - An after-tax loss of \$8.0 million representing the Company's proportionate share in Great-West Lifeco Inc.'s loss on the sale of substantially all of its United States individual life insurance and annuity business.

# Consolidated Statement of Earnings and Other Information

All figures 000's, unless otherwise noted

Year Quarter	2019 1	2019 2	2019 3	2019 4	2020 1	2020 2	2020 3	2020 4
<b>Consolidated Statements of Earnings</b>								
Revenues <sup>(1)</sup>								
Wealth management	553,260	577,576	581,100	587,112	562,733	531,066	571,640	594,137
Asset management	189,177	198,482	201,232	203,436	198,442	190,757	207,412	216,320
Dealer compensation expenses	(68,655)	(69,598)	(69,006)	(69,816)	(71,381)	(66,096)	(71,366)	(74,320)
Net asset management	120,522	128,884	132,226	133,620	127,061	124,661	136,046	142,000
Net investment income and other	11,264	4,802	2,043	6,716	(1,899)	7,502	2,269	3,105
Proportionate share of associates' earnings	32,650	28,264	28,902	32,609	20,045	43,379	43,434	40,171
	717,696	739,526	744,271	760,057	707,940	706,608	753,389	779,413
Expenses <sup>(1)</sup>								
Advisory and business development	270,313	267,607	257,127	270,974	259,114	245,419	252,529	283,084
Operations and support	191,655	178,556	180,326	182,508	195,107	185,417	181,901	188,949
Sub-advisory	15,752	16,959	17,369	18,152	17,502	16,899	18,518	18,294
	477,720	463,122	454,822	471,634	471,723	447,735	452,948	490,327
Adjusted earnings before interest and taxes	239,976	276,404	289,449	288,423	236,217	258,873	300,441	289,086
Interest	25,216	27,648	27,764	27,758	27,307	27,470	27,911	27,909
Adjusted earnings before income taxes	214,760	248,756	261,685	260,665	208,910	231,403	272,530	261,177
Income taxes	45,044	55,632	59,208	59,835	48,034	47,861	58,363	56,676
Adjusted net earnings	169,716	193,124	202,477	200,830	160,876	183,542	214,167	204,501
Non-controlling interest	-	-	-	-	-	-	-	(198)
Perpetual preferred share dividends	(2,213)	-	-	-	-	-	-	-
Adjusted net earnings available to common shareholders	167,503	193,124	202,477	200,830	160,876	183,542	214,167	204,303
Other items <sup>(2)</sup>	-	(8,000)	-	(9,200)	-	-	(23,254)	24,774
Net earnings available to common shareholders	167,503	185,124	202,477	191,630	160,876	183,542	190,913	229,077
Average number of common shares								
Basic	240,941	238,968	238,266	238,282	238,302	238,308	238,308	238,308
Diluted	240,941	239,060	238,371	238,489	238,316	238,308	238,308	238,308
Adjusted net earnings per common share (in cents)								
Basic	70	81	85	84	68	77	90	86
Diluted	70	81	85	84	68	77	90	86
Net earnings per common share (in cents)								
Basic	70	77	85	80	68	77	80	96
Diluted	70	77	85	80	68	77	80	96
Dividends per common share (in cents)								
	56.25	56.25	56.25	56.25	56.25	56.25	56.25	56.25
<b>Common shares outstanding</b>								
Opening balance	240,885	240,758	238,266	238,268	238,294	238,308	238,308	238,308
Issued under Stock Option Plan	139	5	2	26	14	-	-	-
Purchased for cancellation	(266)	(2,497)	-	-	-	-	-	-
Ending balance	240,758	238,266	238,268	238,294	238,308	238,308	238,308	238,308
<b>Stock options</b>								
Outstanding	10,975	10,765	10,654	10,529	11,673	11,450	11,940	11,930
Weighted average strike price (\$)	41.35	41.24	41.24	41.22	40.84	40.84	40.36	40.37

1. Revenues and expenses are net of intersegment eliminations

2. Please see slide 3 for details of Other items

# Consolidated EBIT and EBITDA

All figures 000's

	Year Quarter	2019 1	2019 2	2019 3	2019 4	2020 1	2020 2	2020 3	2020 4
<b>Adjusted earnings before interest and taxes</b>									
Wealth Management		156,612	187,719	199,199	201,356	166,533	159,150	187,023	188,667
Asset Management		49,227	59,734	60,413	52,533	48,982	54,704	70,509	60,123
Strategic Investments and other		34,137	28,951	29,837	34,534	20,702	45,019	42,909	40,296
		<u>239,976</u>	<u>276,404</u>	<u>289,449</u>	<u>288,423</u>	<u>236,217</u>	<u>258,873</u>	<u>300,441</u>	<u>289,086</u>
<b>Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA)</b>									
Adjusted earnings before interest and income taxes		239,976	276,404	289,449	288,423	236,217	258,873	300,441	289,086
Amortization of capitalized sales commissions		4,781	5,260	5,861	6,485	7,684	8,621	9,483	10,645
Amortization of capital, intangible and other assets		19,968	19,664	19,925	19,939	20,124	20,366	21,510	21,498
Sales-based commissions - expensed as paid		31,144	23,172	21,918	21,633	7,667	4,170	4,831	5,174
		<u>295,869</u>	<u>324,500</u>	<u>337,153</u>	<u>336,480</u>	<u>271,692</u>	<u>292,030</u>	<u>336,265</u>	<u>326,403</u>
EBITDA before sales commissions		295,869	324,500	337,153	336,480	271,692	292,030	336,265	326,403
Capitalized sales commissions paid		(12,550)	(14,828)	(16,268)	(23,563)	(32,982)	(23,409)	(25,093)	(36,168)
Sales-based commissions - expensed as paid		(31,144)	(23,172)	(21,918)	(21,633)	(7,667)	(4,170)	(4,831)	(5,174)
		<u>252,175</u>	<u>286,500</u>	<u>298,967</u>	<u>291,284</u>	<u>231,043</u>	<u>264,451</u>	<u>306,341</u>	<u>285,061</u>
EBITDA after sales commissions		252,175	286,500	298,967	291,284	231,043	264,451	306,341	285,061
<b>Additional information</b>									
Amortization of capital, intangible and other assets									
Amortization of right-of-use assets		5,702	5,807	5,961	6,017	6,208	6,062	6,481	6,391
Other amortization		14,266	13,857	13,964	13,922	13,916	14,304	15,029	15,107
Total		<u>19,968</u>	<u>19,664</u>	<u>19,925</u>	<u>19,939</u>	<u>20,124</u>	<u>20,366</u>	<u>21,510</u>	<u>21,498</u>
Interest expense									
Long-term debt		24,140	26,610	26,758	26,806	26,459	26,572	26,802	26,828
Lease obligations		1,076	1,038	1,006	952	848	898	1,109	1,081
Total		<u>25,216</u>	<u>27,648</u>	<u>27,764</u>	<u>27,758</u>	<u>27,307</u>	<u>27,470</u>	<u>27,911</u>	<u>27,909</u>
Outstanding debt (\$millions)									
Long-term debt		2,100.0	2,100.0	2,100.0	2,100.0	2,100.0	2,100.0	2,100.0	2,100.0
Lease Obligation		104.9	99.5	96.6	90.4	85.8	92.3	109.7	188.3

# Wealth Management Operating Segment

All figures 000's

	Year	2019	2019	2019	2019	2020	2020	2020	2020
	Quarter	1	2	3	4	1	2	3	4
<b>Earnings before interest and taxes</b>									
Revenues									
Wealth management									
Advisory fees		306,016	315,559	318,046	319,380	308,527	296,363	315,337	325,451
Product and program fees		204,195	211,158	213,021	216,335	211,192	200,377	214,876	219,896
		510,211	526,717	531,067	535,715	519,719	496,740	530,213	545,347
Redemption fees		7,195	7,378	6,148	5,777	6,169	2,919	3,757	3,120
Other financial planning revenues		39,817	47,594	48,020	49,615	40,908	35,275	41,828	49,960
Total Wealth management		557,223	581,689	585,235	591,107	566,796	534,934	575,798	598,427
Net investment income and other		4,516	2,557	2,010	4,518	(1,167)	1,807	615	1,044
		561,739	584,246	587,245	595,625	565,629	536,741	576,413	599,471
Expenses									
Advisory and business development									
Asset-based compensation		140,161	144,293	144,759	146,950	154,714	148,044	158,916	164,240
Sales-based compensation		28,329	22,206	22,400	22,557	7,684	8,621	9,483	10,645
Other <sup>(1)</sup>									
Other Product commissions		18,778	21,414	19,624	20,397	18,129	15,822	15,705	20,154
Business development		62,384	60,597	52,960	58,670	58,755	56,933	52,357	59,744
		81,162	82,011	72,584	79,067	76,884	72,755	68,062	79,898
Total Advisory and business development		249,652	248,510	239,743	248,574	239,282	229,420	236,461	254,783
Operations and support									
Sub-advisory		117,043	107,511	107,222	104,168	119,582	109,606	111,224	113,326
		38,432	40,506	41,081	41,527	40,232	38,565	41,705	42,695
		405,127	396,527	388,046	394,269	399,096	377,591	389,390	410,804
Earnings before interest and taxes		156,612	187,719	199,199	201,356	166,533	159,150	187,023	188,667
Interest expense		20,487	22,446	22,549	22,545	22,232	22,297	22,696	22,700
Earnings before taxes		136,125	165,273	176,650	178,811	144,301	136,853	164,327	165,967
Income taxes		36,678	44,525	47,571	49,038	38,698	36,399	43,299	44,208
Adjusted net earnings		99,447	120,748	129,079	129,773	105,603	100,454	121,028	121,759
Earnings before interest and taxes									
Amortization of capitalized sales commissions		4,781	5,260	5,861	6,485	7,684	8,621	9,483	10,645
Amortization of capital, intangible and other assets		16,483	16,137	16,455	16,496	16,642	16,661	17,827	17,638
Sales-based commissions - expensed as paid		23,549	16,945	16,540	16,072	-	-	-	-
EBITDA before sales commissions		201,425	226,061	238,055	240,409	190,859	184,432	214,333	216,950
Capitalized sales-based commissions paid		(12,550)	(14,828)	(16,268)	(23,563)	(32,982)	(23,409)	(25,093)	(36,168)
Sales-based compensation - expensed as paid		(23,549)	(16,945)	(16,540)	(16,072)	-	-	-	-
EBITDA after sales commissions		165,326	194,288	205,247	200,774	157,877	161,023	189,240	180,782
<b>Additional information</b>									
Amortization of capital, intangible and other assets									
Amortization of right-of-use assets		4,664	4,708	4,893	4,950	5,134	4,908	5,348	5,260
Other amortization		11,819	11,429	11,562	11,546	11,508	11,753	12,479	12,378
Total		16,483	16,137	16,455	16,496	16,642	16,661	17,827	17,638
Interest Expense									
Long-term debt		19,542	21,541	21,661	21,700	21,420	21,513	21,694	21,718
Leases		945	905	888	845	812	784	1,002	982
		20,487	22,446	22,549	22,545	22,232	22,297	22,696	22,700
Outstanding debt (\$millions)									
Long-term debt		1,700.0	1,700.0	1,700.0	1,700.0	1,700.0	1,700.0	1,700.0	1,700.0
Lease Obligation		90.2	86.0	84.2	79.2	75.6	79.4	98.1	96.3

1. Represents business development activities which do not vary directly with asset or sales levels, such as direct marketing and advertising, financial planning specialist support, wholesaling and other costs incurred to support our adviser networks.

# Wealth Management - IG Wealth Statements of Earnings

All figures 000's

Year	2019	2019	2019	2019	2020	2020	2020	2020
Quarter	1	2	3	4	1	2	3	4
<b>Earnings before interest and taxes</b>								
Revenues								
Wealth management								
Advisory fees	250,265	258,671	261,067	263,656	251,748	242,799	259,086	265,417
Product and program fees	189,504	196,044	198,088	201,184	196,744	187,106	200,983	205,787
	439,769	454,715	459,155	464,840	448,492	429,905	460,069	471,204
Redemption fees	7,090	7,281	6,031	5,715	6,091	2,862	3,706	3,074
Other financial planning revenues	34,763	42,230	42,692	44,458	35,860	31,047	37,272	45,305
Total Wealth management	481,622	504,226	507,878	515,013	490,443	463,814	501,047	519,583
Net investment income and other	1,768	2,809	1,684	3,994	(1,705)	1,624	538	837
	483,390	506,835	509,562	519,007	488,738	465,438	501,585	520,420
Expenses								
Advisory and business development								
Asset-based compensation	95,725	99,622	99,856	101,794	109,612	106,049	113,084	116,762
Sales-based compensation	28,181	22,139	22,313	22,555	7,684	8,621	9,483	10,645
Other <sup>(1)</sup>								
Other Product commissions	15,549	18,197	16,428	17,394	15,206	13,179	12,882	17,304
Business development	55,549	53,589	46,394	51,819	50,745	50,012	46,023	52,274
	71,098	71,786	62,822	69,213	65,951	63,191	58,905	69,578
Total Advisory and business development	195,004	193,547	184,991	193,562	183,247	177,861	181,472	196,985
Operations and support	103,160	95,281	94,906	92,325	107,749	97,527	100,056	101,786
Sub-advisory	34,491	36,290	37,005	37,606	36,590	35,559	38,343	39,243
	332,655	325,118	316,902	323,493	327,586	310,947	319,871	338,014
Earnings before interest and taxes	150,735	181,717	192,660	195,514	161,152	154,491	181,714	182,406
Interest expense	20,313	22,276	22,381	22,380	22,071	22,138	22,537	22,538
Earnings before taxes	130,422	159,441	170,279	173,134	139,081	132,353	159,177	159,868
Income taxes	35,114	42,908	45,776	47,437	37,210	35,146	41,867	42,521
Adjusted net earnings	95,308	116,533	124,503	125,697	101,871	97,207	117,310	117,347
Earnings before interest and taxes								
Amortization of capitalized sales commissions	4,781	5,260	5,861	6,485	7,684	8,621	9,483	10,645
Amortization of capital, intangible and other assets	13,162	12,968	13,161	13,185	13,351	13,366	14,529	14,283
Sales-based commissions - expensed as paid	23,401	16,879	16,452	16,070	-	-	-	-
EBITDA before sales commissions	192,079	216,824	228,134	231,254	182,187	176,478	205,726	207,334
Capitalized sales-based commissions paid	(12,550)	(14,828)	(16,268)	(23,563)	(32,982)	(23,409)	(25,093)	(36,168)
Sales-based compensation - expensed as paid	(23,401)	(16,879)	(16,452)	(16,070)	-	-	-	-
EBITDA after sales commissions	156,128	185,117	195,414	191,621	149,205	153,069	180,633	171,166
<b>Additional information</b>								
Amortization of capital, intangible and other assets								
Amortization of right-of-use assets	4,331	4,376	4,561	4,617	4,802	4,581	5,034	4,937
Other amortization	8,831	8,592	8,600	8,568	8,549	8,785	9,495	9,346
Total	13,162	12,968	13,161	13,185	13,351	13,366	14,529	14,283
Interest Expense								
Long-term debt	19,542	21,541	21,661	21,700	21,420	21,513	21,694	21,718
Leases	771	735	720	680	651	625	843	820
	20,313	22,276	22,381	22,380	22,071	22,138	22,537	22,538
Outstanding debt (\$millions)								
Long-term debt	1,700.0	1,700.0	1,700.0	1,700.0	1,700.0	1,700.0	1,700.0	1,700.0
Lease Obligation	75.4	71.4	69.9	65.2	61.9	66.0	83.8	82.3

1. Represents business development activities which do not vary directly with asset or sales levels, such as direct marketing and advertising, financial planning specialist support, wholesaling and other costs incurred to support our adviser networks.



# Wealth Management - Investment Planning Counsel Statements of Earnings

All figures 000's

Year	2019	2019	2019	2019	2020	2020	2020	2020
Quarter	1	2	3	4	1	2	3	4
<b>Earnings before interest and taxes</b>								
Revenues								
Wealth management								
Advisory fees	55,751	56,888	56,979	55,724	56,779	53,564	56,251	60,034
Product and program fees	14,691	15,114	14,933	15,151	14,448	13,271	13,893	14,109
	70,442	72,002	71,912	70,875	71,227	66,835	70,144	74,143
Redemption fees	105	97	117	62	78	57	51	46
Other financial planning revenues	5,054	5,364	5,328	5,157	5,048	4,228	4,556	4,655
Total Wealth management	75,601	77,463	77,357	76,094	76,353	71,120	74,751	78,844
Net investment income and other	2,748	(52)	326	524	538	183	77	207
	78,349	77,411	77,683	76,618	76,891	71,303	74,828	79,051
Expenses								
Advisory and business development								
Asset-based compensation	44,436	44,671	44,903	45,156	45,102	41,995	45,832	47,478
Sales-based compensation	148	67	87	2	-	-	-	-
Other <sup>(1)</sup>								
Other Product commissions	3,229	3,217	3,196	3,003	2,923	2,643	2,823	2,850
Business development	6,835	7,008	6,566	6,851	8,010	6,921	6,334	7,470
	10,064	10,225	9,762	9,854	10,933	9,564	9,157	10,320
Total Advisory and business development	54,648	54,963	54,752	55,012	56,035	51,559	54,989	57,798
Operations and support								
Sub-advisory	13,883	12,230	12,316	11,843	11,833	12,079	11,168	11,540
	3,941	4,216	4,076	3,921	3,642	3,006	3,362	3,452
	72,472	71,409	71,144	70,776	71,510	66,644	69,519	72,790
Earnings before interest and taxes	5,877	6,002	6,539	5,842	5,381	4,659	5,309	6,261
Interest expense	174	170	168	165	161	159	159	162
Earnings before taxes	5,703	5,832	6,371	5,677	5,220	4,500	5,150	6,099
Income taxes	1,564	1,617	1,795	1,601	1,488	1,253	1,432	1,687
Adjusted net earnings	4,139	4,215	4,576	4,076	3,732	3,247	3,718	4,412
Earnings before interest and taxes								
Amortization of capital, intangible and other assets	3,321	3,169	3,294	3,311	3,291	3,295	3,298	3,355
Sales-based commissions - expensed as paid	148	66	88	2	-	-	-	-
EBITDA before sales commissions	9,346	9,237	9,921	9,155	8,672	7,954	8,607	9,616
Sales-based compensation - expensed as paid	(148)	(66)	(88)	(2)	-	-	-	-
EBITDA after sales commissions	9,198	9,171	9,833	9,153	8,672	7,954	8,607	9,616
<b>Additional information</b>								
Amortization of capital, intangible and other assets								
Amortization of right-of-use assets	333	332	332	333	332	327	314	323
Other amortization	2,988	2,837	2,962	2,978	2,959	2,968	2,984	3,032
Total	3,321	3,169	3,294	3,311	3,291	3,295	3,298	3,355
Interest Expense								
Long-term debt	-	-	-	-	-	-	-	-
Leases	174	170	168	165	161	159	159	162
	174	170	168	165	161	159	159	162
Outstanding debt (\$millions)								
Long-term debt	-	-	-	-	-	-	-	-
Lease Obligation	14.8	14.6	14.3	14.0	13.7	13.4	14.3	14.0

1. Represents business development activities which do not vary directly with asset or sales levels, such as direct marketing and advertising, financial planning specialist support, wholesaling and other costs incurred to support our adviser networks.

# Asset Management Operating Segment

All figures 000's

Year Quarter	2019 1	2019 2	2019 3	2019 4	2020 1	2020 2	2020 3	2020 4
<b>Earnings before interest and taxes</b>								
Revenues								
Asset management								
Asset Management fees - third party	187,738	196,937	199,867	202,039	196,961	189,882	206,447	215,156
Redemption fees	1,439	1,545	1,365	1,397	1,481	875	965	1,164
	189,177	198,482	201,232	203,436	198,442	190,757	207,412	216,320
Dealer Compensation expenses								
Asset-based compensation	(64,853)	(67,323)	(67,627)	(68,332)	(67,756)	(65,807)	(70,677)	(73,448)
Sales-based compensation	(7,595)	(6,227)	(5,378)	(5,561)	(7,667)	(4,170)	(4,831)	(5,174)
	(72,448)	(73,550)	(73,005)	(73,893)	(75,423)	(69,977)	(75,508)	(78,622)
Net asset management fees - third party	116,729	124,932	128,227	129,543	123,019	120,780	131,904	137,698
Asset management fees - wealth management	25,561	26,165	26,312	26,133	25,242	23,856	25,730	25,820
Net asset management fees	142,290	151,097	154,539	155,676	148,261	144,636	157,634	163,518
Net investment income and other	4,732	1,117	(1,354)	(257)	(2,210)	2,965	1,087	1,058
	147,022	152,214	153,185	155,419	146,051	147,601	158,721	164,576
Expenses								
Business development	20,779	19,206	17,468	22,416	19,838	16,001	16,070	28,303
Operations and support	74,137	70,656	72,704	77,712	74,718	74,706	69,600	74,731
Sub-advisory	2,879	2,618	2,600	2,758	2,513	2,190	2,542	1,419
	97,795	92,480	92,772	102,886	97,069	92,897	88,212	104,453
Earnings before interest and taxes	49,227	59,734	60,413	52,533	48,982	54,704	70,509	60,123
Interest expense	4,729	5,202	5,215	5,213	5,075	5,173	5,215	5,209
Earnings before taxes	44,498	54,532	55,198	47,320	43,907	49,531	65,294	54,914
Income taxes	11,002	14,895	14,538	13,682	11,618	12,927	16,946	14,172
Adjusted net earnings	33,496	39,637	40,660	33,638	32,289	36,604	48,348	40,742
Earnings before interest and taxes								
Amortization of capital, intangible and other assets	49,227	59,734	60,413	52,533	48,982	54,704	70,509	60,123
Sales-based commissions - expensed as paid	3,485	3,527	3,470	3,443	3,482	3,705	3,683	3,860
EBITDA before sales commissions	7,595	6,227	5,378	5,561	7,667	4,170	4,831	5,174
	60,307	69,488	69,261	61,537	60,131	62,579	79,023	69,157
Sales-based commissions - expensed as paid	(7,595)	(6,227)	(5,378)	(5,561)	(7,667)	(4,170)	(4,831)	(5,174)
EBITDA after sales commissions	52,712	63,261	63,883	55,976	52,464	58,409	74,192	63,983
<b>Additional information</b>								
Amortization of capital, intangible and other assets								
Amortization of right-of-use assets	1,038	1,099	1,068	1,067	1,074	1,154	1,133	1,131
Other amortization	2,447	2,428	2,402	2,376	2,408	2,551	2,550	2,729
Total	3,485	3,527	3,470	3,443	3,482	3,705	3,683	3,860
Interest Expense								
Long-term debt	4,598	5,069	5,097	5,106	5,040	5,062	5,105	5,110
Leases	131	133	118	107	35	111	110	99
	4,729	5,202	5,215	5,213	5,075	5,173	5,215	5,209
Outstanding debt (\$millions)								
Long-term debt	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0
Lease Obligation	14.7	13.5	12.4	11.2	10.2	12.9	11.6	92.0

# Strategic Investments & Other Segment

All figures 000's, unless otherwise noted

	Year Quarter	2019 1	2019 2	2019 3	2019 4	2020 1	2020 2	2020 3	2020 4
<b>Earnings before interest and taxes</b>									
Revenues									
Net investment income and other		2,085	1,200	1,460	2,528	1,524	2,776	612	1,048
Proportionate share of Associate's earnings									
Investment in Lifeco		28,642	25,024	25,565	29,857	14,305	34,582	32,963	27,298
Investment in China AMC		7,369	7,896	7,599	7,255	8,856	10,321	10,471	11,883
Investment in Northleaf <sup>(1)</sup>		-	-	-	-	-	-	-	990
Investment in Personal Capital		(3,361)	(4,656)	(4,262)	(4,503)	(3,116)	(1,524)	-	-
		<u>32,650</u>	<u>28,264</u>	<u>28,902</u>	<u>32,609</u>	<u>20,045</u>	<u>43,379</u>	<u>43,434</u>	<u>40,171</u>
		34,735	29,464	30,362	35,137	21,569	46,155	44,046	41,219
Expenses									
Operations and support		598	513	525	603	867	1,136	1,137	923
Earnings before interest and taxes		<u>34,137</u>	<u>28,951</u>	<u>29,837</u>	<u>34,534</u>	<u>20,702</u>	<u>45,019</u>	<u>42,909</u>	<u>40,296</u>
Interest expense		-	-	-	-	-	-	-	-
Earnings before taxes		<u>34,137</u>	<u>28,951</u>	<u>29,837</u>	<u>34,534</u>	<u>20,702</u>	<u>45,019</u>	<u>42,909</u>	<u>40,296</u>
Income taxes		(2,636)	(3,788)	(2,901)	(2,885)	(2,282)	(1,465)	(1,882)	(1,704)
Adjusted net earnings		<u>36,773</u>	<u>32,739</u>	<u>32,738</u>	<u>37,419</u>	<u>22,984</u>	<u>46,484</u>	<u>44,791</u>	<u>42,000</u>

## Additional information

Income taxes									
Loss consolidation		(3,323)	(3,406)	(3,460)	(3,422)	(2,725)	(2,786)	(2,813)	(2,782)
China AMC		737	790	760	726	886	1,032	1,047	1,188
Personal capital		(454)	(629)	(575)	(608)	(421)	(206)	-	-
Other		404	(543)	374	419	(22)	495	(116)	(110)
		<u>(2,636)</u>	<u>(3,788)</u>	<u>(2,901)</u>	<u>(2,885)</u>	<u>(2,282)</u>	<u>(1,465)</u>	<u>(1,882)</u>	<u>(1,704)</u>

## Operating metrics

China Asset Management Co., Ltd.									
Carrying value (\$millions)		693	662	651	663	703	689	713	720
Assets under management (RMB¥ billions) <sup>(2)</sup>			918		1,032		1,248		1,461
Assets under management (\$CAD billions) <sup>(2)</sup>			175		192		240		285
Corporate investments									
Fair value (primarily Wealthsimple & Portag3) (\$millions) <sup>(3)</sup>		232	285	295	301	304	306	598	593
Northleaf Capital Group Ltd. <sup>(1)</sup>									
Carrying value (\$millions)									
Carrying value									249
Non-controlling interest									49
Net carrying value									<u>200</u>
Assets under management (\$CAD billions)									
Opening assets									14.5
New commitments									0.6
Return of capital & other									(0.1)
Foreign exchange - majority of AUM USD denominated									<u>(0.4)</u>
Ending assets									14.6
Personal Capital Corporation <sup>(4)</sup>									
Carrying value (\$millions)		214	205	203	195	208	199		
Registered users (millions)		2.12	2.22	2.32	2.41	2.52	2.60		
Assets under management (\$USD millions)		9,215	10,151	10,809	12,275	10,667	12,659		
Tracked Account Value (\$USD billions)		703	748	784	841	847	923		
Great-West Lifeco (\$millions)									
Carrying value		1,000	910	899	897	907	958	943	962
Fair Value		1,286	1,126	1,187	1,242	908	888	971	1,133
Unallocated capital (\$millions)		402	244	297	321	334	376	580	241

- On October 28, 2020, the Company's subsidiary, Mackenzie, together with Great-West Lifeco Inc. (Lifeco), acquired a 70% economic interest and 49.9% non-controlling voting interest in Northleaf Capital Group Ltd. (Northleaf) through an acquisition vehicle 80% owned by Mackenzie and 20% owned by Lifeco. IGM's proportionate share of Northleaf's earnings net of Lifeco's share was \$792.
- Assets under management excludes China Asset Management Co., Ltd subsidiary assets under management.
- Wealthsimple's announcement in Q3 2020 of an equity financing round of \$114 million increased the Company's fair value of its aggregate investment by \$298 million to \$550 million.
- In Q3 2020, 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).

# Glossary

## Segments

**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 through institutional advisory mandates to financial institutions, pensions and other institutional investors.

**Strategic Investments & Other** – primarily represents the key strategic investments made by the Company, including China Asset Management Co., Ltd., Great-West Lifeco Inc., Northleaf Capital Group Ltd., Wealthsimple Financial Corporation, and Portag3 Ventures LPs, as well as unallocated capital. Investments are classified in this segment (as opposed to the Wealth Management or Asset Management segment) when warranted due to different market segments, growth profiles or other unique characteristics.

## Statement of Earnings

**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.

**Advisory fees** – fees for providing financial advice to clients including fees related to the distribution of investment products.

**Product and program fees** – fees related to investment management services and related administration activities performed for investment funds, managed solutions and discretionary portfolio management programs managed by the Wealth Management segment operating companies.

**Other financial planning revenues** – revenues related to the distribution of insurance, banking and other financial products and services, as well as net interest income and other revenues associated with mortgage lending activities.

**Asset management revenue** – revenues earned by the Asset Management segment related to investment management advisory and administrative services.

**Dealer compensation expenses** – reflects asset-based and sales-based compensation paid to dealers by the Asset Management segment.

# Glossary

## Statement of Earnings (continued)

**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 & 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.

**Other product commissions** – reflects expenses paid to advisors for the distribution of banking and insurance products.

**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.