

# Financial Section

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# Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) presents management's view of the results of operations and the financial condition of IGM Financial Inc. (IGM Financial or the Company) as at and for the years ended December 31, 2024 and 2023 and should be read in conjunction with IGM Financial's 2024 audited consolidated financial Statements (Consolidated Financial Statements). Commentary in the MD&A as at and for the year ended December 31, 2024 is as of February 6, 2025.

## Basis of Presentation and Summary of Accounting Policies

The Consolidated Financial Statements of IGM Financial, which are the basis of the information presented in the Company's MD&A, have been prepared in accordance with International Financial Reporting Standards (IFRS) and are presented in Canadian dollars (Note 2 of the Consolidated Financial Statements).

## Principal Holders of Voting Shares

As at December 31, 2024, Power Corporation of Canada (Power) and Great-West Lifeco Inc. (Lifeco), a subsidiary of Power, held directly or indirectly 62.2% and 3.9%, respectively, of the outstanding common shares of IGM Financial.

## 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 Inc.'s (IGM Financial, IGM or the Company) and, where applicable, its subsidiaries' and strategic investments', current expectations. Forward-looking statements are provided to assist the reader in understanding the Company's, and its subsidiaries and strategic investments, 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. 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, and its subsidiaries and strategic investments, 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. While the Company considers these assumptions to be reasonable based on information currently available to management, they may prove to be incorrect.

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, including environmental and social, strategic goals and priorities will not be achieved.

A variety of material factors, many of which are beyond the Company's and its subsidiaries' and strategic investments' control,

affect the operations, performance and results of the Company and its subsidiaries and strategic investments, and their businesses, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, management of market liquidity and funding risks, changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates), the effect of applying future accounting changes, operational and reputational risks, environmental and social risks, business competition, technological change, changes in government regulations and legislation, changes in tax laws, the impact of trade relations, unexpected judicial or regulatory proceedings, catastrophic events, outbreaks of disease or pandemics (such as COVID-19), the Company's ability to complete strategic transactions, integrate acquisitions and implement other growth strategies, and the Company's and its subsidiaries' and strategic investments' 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 applicable Canadian 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 and material factors or assumptions on which information contained in forward-looking statements is based is provided in its disclosure materials, including this Management's Discussion and Analysis and its most recent Annual Information Form, filed with the securities regulatory authorities in Canada, available at [www.sedarplus.ca](http://www.sedarplus.ca).

## Non-IFRS Financial Measures and Other Financial Measures

This report contains Non-IFRS financial measures and non-IFRS ratios that do not have standard meanings prescribed by IFRS and may not be directly comparable to similar measures used by other companies. These measures and ratios are used to provide management, investors and investment analysts with additional measures to assess earnings performance.

Non-IFRS financial measures include, but are not limited to, "adjusted net earnings available to common shareholders", "adjusted net earnings", "adjusted earnings before income taxes", "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). These measures exclude other items which are items of a non-recurring nature, or that could make the period-over-period comparison of results from operations less meaningful. Effective in the first quarter of 2024, these measures also exclude the Company's proportionate share of items that Great-West Lifeco Inc. (Lifeco) excludes from its IFRS reported net earnings in arriving at Lifeco's base earnings. Base earnings is an alternate measure Lifeco uses to understand the underlying business performance compared to IFRS net earnings. Lifeco's financial information can be obtained in its disclosure materials filed on [www.sedarplus.ca](http://www.sedarplus.ca). Comparative periods have been restated to reflect this change. EBITDA before sales commissions excludes all sales commissions. EBITDA after sales commissions includes all sales commissions and highlights aggregate cash flows.

Non-IFRS ratios include the following:

Ratio	Numerator	Denominator
Adjusted earnings per share (Adjusted EPS)	Adjusted net earnings available to common shareholders	Average number of outstanding common shares on a diluted basis
Return (Adjusted return) on equity (ROE, Adjusted ROE)	Net earnings (Adjusted net earnings) available to common shareholders	Average shareholders' equity excluding non-controlling interest
ROE (Adjusted ROE) excluding the impact of fair value through other comprehensive income investments	Net earnings (Adjusted net earnings) available to common shareholders	Average shareholders' equity excluding non-controlling interest and the impact of fair value through other comprehensive income investments net of tax

Refer to the appropriate reconciliations of non-IFRS financial measures, including as components of non-IFRS ratios, to reported results in accordance with IFRS in Tables 1 to 4.

This report also contains other financial measures which include:

- **Assets Under Management and Advisement (AUM&A)** represents the consolidated AUM and AUA of IGM Financial's core businesses IG Wealth Management and Mackenzie Investments. In the Wealth Management segment, AUM is a component part of AUA. All instances where the asset management segment is providing investment management services or distributing its products through the Wealth Management segment are eliminated in IGM Financial's reporting such that there is no double-counting of the same client savings held at IGM Financial's core businesses. AUM&A excludes Investment Planning Counsel's (IPC's) AUM, AUA, sales, redemptions and net flows which were disclosed as discontinued operations until the sale of IPC in November 2023.
- **Assets Under Advisement (AUA)** are the key driver of the Wealth Management segment. AUA are savings and investment products held within client accounts of our Wealth Management segment core business.
- **Assets Under Management (AUM)** are the key driver of the Asset Management segment. AUM are an additional driver of revenues and expenses within the Wealth Management segment in relation to its investment management activities. AUM are client assets where we provide investment management services, and include investment funds where we are the fund manager, investment advisory mandates to institutions, and other client accounts where we have discretionary portfolio management responsibilities.
- **Assets Under Management and Advisement Including Strategic Investments (AUM&A Including SI)** represents AUM&A including the Company's proportionate share of the AUM&A of strategic investments based on the Company's direct and indirect ownership of the strategic investments. The strategic investments included are those whose activities are primarily in asset and wealth management, and include ChinaAMC, Northleaf, Rockefeller and Wealthsimple. Rockefeller client assets include assets under management and advisement as well as assets held for investment purposes and only receiving administrative services.
- **Working Capital** which consists of current assets less current liabilities excluding assets and liabilities not reflective of ongoing operations.

# IGM Financial Inc.

## Summary of Consolidated Operating Results

IGM Financial Inc. (TSX:IGM) is a leading wealth and asset management company supporting advisors and the clients they serve in Canada, and institutional investors globally. The Company operates through a number of operating subsidiaries and also holds a number of strategic investments that provide benefits to these subsidiaries while furthering the Company's growth prospects. The Company's wealth management segment consists of IG Wealth Management (IG), and strategic investments in Rockefeller Capital Management (Rockefeller) and Wealthsimple Financial Corp. (Wealthsimple). The asset management segment consists of Mackenzie Investments (Mackenzie) and strategic investments in China Asset Management Co., Ltd. (ChinaAMC) and Northleaf Capital Group Ltd. (Northleaf). The Company also holds an investment in Great-West Lifeco Inc. (Lifeco).

IGM Financial's Assets Under Management and Advisement Including Strategic Investments (AUM&A Including SI) were \$483.5 billion as at December 31, 2024 compared to \$390.6 billion at December 31, 2023, as detailed in Table 6.

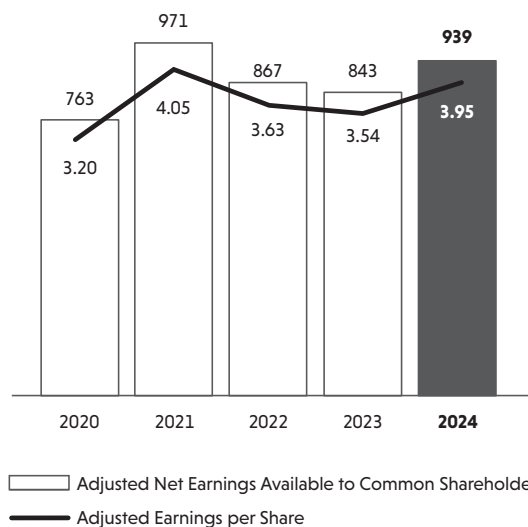
IGM Financial's Assets Under Management and Advisement (AUM&A) were \$270.4 billion as at December 31, 2024, compared with \$240.2 billion at December 31, 2023. Average total AUM&A for the year ended December 31, 2024 were \$256.0 billion compared to \$232.8 billion in 2023. Average total AUM&A for the fourth quarter of 2024 were \$269.3 billion compared to \$232.1 billion in the fourth quarter of 2023.

Net earnings available to common shareholders for the year ended December 31, 2024 were \$933.5 million or \$3.93 per share compared to net earnings available to common shareholders of \$1,148.9 million or \$4.82 per share in 2023, representing a decrease of 18.5% in earnings per share. Net earnings available to common shareholders for the three months ended December 31, 2024 were \$254.7 million or \$1.07 per share compared to net earnings available to common shareholders of \$419.6 million or \$1.76 per share for the comparative period in 2023, representing a decrease of 39.2% in earnings per share. Net earnings available to common shareholders for the three months ended September 30, 2024 were \$239.2 million or \$1.01 per share.

Adjusted net earnings available to common shareholders (a non-IFRS measure – see Non-IFRS Financial Measures and Other Financial Measures and Table 1), excluding other items outlined below, for the year ended December 31, 2024 were \$939.0 million or \$3.95 per share compared to adjusted net earnings available to common shareholders of \$843.1 million or \$3.54 per share in 2023, representing an increase of 11.6% in adjusted earnings per share. Adjusted net earnings available to common shareholders, excluding other items outlined below, for the fourth quarter of 2024 were \$250.0 million or \$1.05 per share compared to adjusted net earnings available to common shareholders of \$204.9 million or \$0.86 per share for the comparative

### Adjusted Net Earnings Available to Common Shareholders<sup>(1)</sup> and Adjusted Earnings per Share<sup>(1)</sup>

For the financial year (\$ millions, except per share amounts)



Adjusted net earnings available to common shareholders and adjusted net earnings per share excluded the following after-tax amounts:

- 2020 – the gain on sale of Personal Capital, gain on sale of Quadrus Group of Funds net of acquisition costs, the Company's proportionate share of associate's adjustments and restructuring and other.
- 2021 – additional consideration receivable related to the sale of Personal Capital in 2020.
- 2023 – the gain on sale of IPC, gain on sale of Lifeco, Lifeco IFRS 17 adjustment, restructuring and other and Lifeco other items.
- 2024 – Lifeco other items, tax loss consolidation and Rockefeller's one-time debt refinancing costs.

(1) A Non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

**Table 1: Reconciliation of Non-IFRS Financial Measures**

(\$ millions except EPS)	Three months ended			Twelve months ended	
	2024 Dec. 31	2024 Sep. 30	2023 Dec. 31	2024 Dec. 31	2023 Dec. 31
<b>Adjusted net earnings available to common shareholders<sup>(1)</sup></b>	<b>\$ 250.0</b>	\$ 244.1	\$ 204.9	<b>\$ 939.0</b>	\$ 843.1
Tax loss consolidation	4.7	–	–	4.7	–
Lifeco other items	–	(4.9)	(6.0)	(6.9)	(22.4)
Rockefeller debt refinancing	–	–	–	(3.3)	–
Gain on sale of IPC	–	–	220.7	–	220.7
Restructuring and other, net of tax	–	–	–	–	(76.2)
Gain on sale of Lifeco, net of tax	–	–	–	–	168.6
Lifeco IFRS 17 adjustment	–	–	–	–	15.1
<b>Net earnings available to common shareholders</b>	<b>\$ 254.7</b>	\$ 239.2	\$ 419.6	<b>\$ 933.5</b>	\$ 1,148.9
<b>Adjusted earnings per share<sup>(1)</sup></b>	<b>\$ 1.05</b>	\$ 1.03	\$ 0.86	<b>\$ 3.95</b>	\$ 3.54
Tax loss consolidation	0.02	–	–	0.02	–
Lifeco other items	–	(0.02)	(0.02)	(0.03)	(0.10)
Rockefeller debt refinancing	–	–	–	(0.01)	–
Gain on sale of IPC	–	–	0.92	–	0.93
Restructuring and other, net of tax	–	–	–	–	(0.32)
Gain on sale of Lifeco, net of tax	–	–	–	–	0.71
Lifeco IFRS 17 adjustment	–	–	–	–	0.06
<b>Earnings per share<sup>(2)</sup></b>	<b>\$ 1.07</b>	\$ 1.01	\$ 1.76	<b>\$ 3.93</b>	\$ 4.82
<b>Average outstanding shares – Diluted (thousands)</b>	<b>238,304</b>	236,931	238,156	<b>237,609</b>	238,418
<b>EBITDA before sales commissions<sup>(1)</sup></b>	<b>\$ 409.3</b>	\$ 398.1	\$ 351.8	<b>\$ 1,547.3</b>	\$ 1,426.6
Sales-based commissions paid	(34.4)	(30.0)	(26.7)	(129.7)	(116.7)
<b>EBITDA after sales commissions<sup>(1)</sup></b>	<b>374.9</b>	368.1	325.1	<b>1,417.6</b>	1,309.9
Sales-based commissions paid subject to amortization	34.4	30.0	26.7	129.7	116.7
Amortization of capitalized sales commissions	(27.3)	(26.7)	(25.2)	(105.5)	(94.2)
Amortization of capital, intangible and other assets	(23.7)	(23.0)	(26.5)	(92.7)	(106.5)
<b>Adjusted earnings before interest and income taxes<sup>(1)</sup></b>	<b>358.3</b>	348.4	300.1	<b>1,349.1</b>	1,225.9
Interest expense <sup>(3)</sup>	32.5	32.4	38.6	129.4	141.0
<b>Adjusted earnings before income taxes – continuing and discontinued operations<sup>(1)</sup></b>	<b>325.8</b>	316.0	261.5	<b>1,219.7</b>	1,084.9
Income taxes	75.1	71.2	54.9	276.8	238.2
<b>Adjusted net earnings<sup>(1)</sup></b>	<b>250.7</b>	244.8	206.6	<b>942.9</b>	846.7
Tax loss consolidation	4.7	–	–	4.7	–
Lifeco other items	–	(4.9)	(6.0)	(6.9)	(22.4)
Rockefeller debt refinancing	–	–	–	(3.3)	–
Gain on sale of IPC	–	–	220.7	–	220.7
Restructuring and other, net of tax	–	–	–	–	(76.2)
Gain on sale of Lifeco, net of tax	–	–	–	–	168.6
Lifeco IFRS 17 adjustment	–	–	–	–	15.1
<b>Net earnings</b>	<b>255.4</b>	239.9	421.3	<b>937.4</b>	1,152.5
Non-controlling interest	0.7	0.7	1.7	3.9	3.6
<b>Net earnings available to common shareholders</b>	<b>\$ 254.7</b>	\$ 239.2	\$ 419.6	<b>\$ 933.5</b>	\$ 1,148.9

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

(2) Diluted earnings per share.

(3) Interest expense includes interest on long-term debt and leases and in Q2 to Q4 2023, also included interest on the credit facility.

period in 2023. Adjusted net earnings available to common shareholders in the current quarter represented an increase of 1.9% in adjusted earnings per share from \$244.1 million or \$1.03 per share for the three months ended September 30, 2024.

Other items for the year ended December 31, 2024 consisted of:

- Tax loss consolidation of \$4.7 million, recorded in the fourth quarter, related to the benefit from tax loss consolidation transactions that the Company has entered into with a subsidiary of Power.
- The Company's proportionate share of items Lifeco excludes from its base earnings (Lifeco other items) of (\$6.9) million (nil in the fourth quarter). Effective in the first quarter of 2024, IGM began to exclude the Company's proportionate share of items that Lifeco excludes from its IFRS reported net earnings in arriving at Lifeco's base earnings. Base earnings is an alternate measure Lifeco uses to understand the underlying business performance compared to IFRS net earnings. Lifeco's financial information can be obtained in its disclosure materials filed on [www.sedarplus.ca](http://www.sedarplus.ca). Comparative periods have been restated to reflect this change.

Lifeco other items may include market related impacts; assumption changes and management actions; business transformation impacts; realized gains and losses on assets measured at Fair Value Through Other Comprehensive Income; equity and interest impacts on the measurement of surplus assets and liabilities; amortization of acquisition related finite life intangible assets; material legal, impairment, and tax related charges, impacts of disposals and acquisitions; and other items that, when removed, assist in explaining Lifeco's underlying business.

- The Company's proportionate share of Rockefeller's one-time debt refinancing costs of \$3.3 million, recorded in the second quarter, related to the early repayment of one of Rockefeller's financing facilities.

Other items for the year ended December 31, 2023 consisted of:

- Lifeco other items of (\$22.4) million, including (\$6.0) million recorded in the fourth quarter.
- A gain on the sale of IPC of \$220.7 million recorded in the fourth quarter.
- Restructuring and other charges of \$76.2 million after-tax (\$103.3 million pre-tax), recorded in the second quarter, related to further streamlining and simplifying

the Company's operating model to better align with business priorities.

- A gain on the sale of a portion of the Company's investment in Lifeco of \$168.6 million after-tax (\$172.9 million pre-tax), consisting of \$174.8 million recorded in the first quarter and a decrease of \$6.2 million that was recorded on a prospective basis in the second quarter.
- Lifeco IFRS 17 adjustment of \$15.1 million, recorded in the second quarter, representing a change of estimate which has been recorded on a prospective basis.

Total equity was \$7.9 billion at December 31, 2024, compared to \$6.7 billion at December 31, 2023. Adjusted ROE (a non-IFRS ratio – see Non-IFRS Financial Measures and Other Financial Measures) for the year ended December 31, 2024 was 13.1% compared with 13.4% for the comparative period in 2023. Adjusted ROE excluding the impact of fair value through other comprehensive income investments (a non-IFRS ratio – see Non-IFRS Financial Measures and Other Financial Measures) for the year ended December 31, 2024 was 14.4% compared with 14.1% in 2023. The quarterly dividend per common share was 56.25 cents in 2024, unchanged from the end of 2023.

## Market Overview

Financial market returns were positive for the year ended December 31, 2024:

- The S&P TSX Composite total return index increased by 3.8% in the fourth quarter of 2024 and by 21.6% for the year.
- U.S. equity markets, as measured by the S&P 500 total return index, increased by 2.4% in the fourth quarter of 2024 and by 25.0% for the year.
- European equity markets, as measured by the MSCI Europe net total return index, decreased by 2.7% in the fourth quarter of 2024 and increased by 8.6% for the year.
- Asian equity markets, as measured by the MSCI AC Asia Pacific net total return index, decreased by 6.8% in the fourth quarter of 2024 and increased by 9.6% for the year.
- Chinese equity markets, as measured by the CSI 300 net total return index, decreased by 1.7% in the fourth quarter of 2024 and increased by 17.9% for the year.
- The FTSE TMX Canada Universe Bond total return index remained flat in the fourth quarter of 2024 and increased by 4.2% for the year.

- Our clients experienced an average investment return of 2.5% in the fourth quarter of 2024 and 15.5% for the year.

IGM Financial's AUM&A increased by 12.6% from \$240.2 billion at December 31, 2023 to \$270.4 billion at December 31, 2024. See Table 6 for the breakdown of IGM Financial's AUM&A.

## Reportable Segments

The Company's reportable segments are Wealth Management, Asset Management and Corporate & Other and reflect the Company's internal financial reporting and performance measurement (Tables 2, 3 and 4):

- **Wealth Management** – reflects the activities of its core business and strategic investments that are principally focused on providing financial planning and related services to retail client households. This segment includes the activities of IG Wealth Management which is a retail distribution organization that serves Canadian households through its securities dealer, mutual fund dealer 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. This segment also includes the Company's strategic investments in Rockefeller and Wealthsimple. Rockefeller is classified as an investment in associate and accounted for using the equity method, with the proportionate share of earnings included in revenue. Wealthsimple is classified as an investment which is accounted for at fair value through other comprehensive income (FVTOCI) and therefore has no impact on the segment earnings. This segment previously included IPC, which was sold on November 30, 2023. In comparative periods, IPC's results were classified as discontinued operations.
- **Asset Management** – reflects the activities of its core business and strategic investments primarily focused on providing investment management services. This segment includes the operations of Mackenzie Investments which provides investment management services 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. This segment also includes the Company's

strategic investment in ChinaAMC and Northleaf which are classified as investments in associates and accounted for using the equity method. The proportionate share of earnings on these investments are included in the segment's revenue.

- **Corporate and Other** – primarily represents the investments in Lifeco and Portage Ventures LPs, the Company's unallocated capital, as well as consolidation elimination entries.

**Assets Under Management and Advisement (AUM&A)** represents the consolidated AUM and AUA of IGM Financial's core businesses IG Wealth Management and Mackenzie Investments. In the Wealth Management segment, AUM is a component part of AUA. All instances where the Asset Management segment is providing investment management services or distributing its products through the Wealth Management segment are eliminated in IGM Financial's reporting such that there is no double-counting of the same client savings held at IGM Financial's core businesses. AUM&A excludes IPC's AUM, AUA, sales, redemptions and net flows which were disclosed as discontinued operations until the sale of IPC in November 2023.

**Assets Under Advisement (AUA)** are the key driver of the Wealth Management segment. AUA are savings and investment products held within client accounts of our Wealth Management segment operating companies.

**Assets Under Management (AUM)** are the key driver of the Asset Management segment. AUM are an additional driver of revenues and expenses within the Wealth Management segment in relation to its investment management activities. AUM are client assets where we provide investment management services, and include investment funds where we are the fund manager, investment advisory mandates to institutions, and other client accounts where we have discretionary portfolio management responsibilities.

**Assets Under Management and Advisement Including Strategic Investments (AUM&A Including SI)** represents AUM&A including the Company's proportionate share of the AUM&A of strategic investments based on the Company's direct and indirect ownership of the strategic investments. The strategic investments included are those whose activities are primarily in asset and wealth management, and include ChinaAMC, Northleaf, Rockefeller and Wealthsimple. Rockefeller client assets include AUM&A as well as assets held for investment purposes and only receiving administrative services.

**Table 2: Consolidated Operating Results by Segment – Q4 2024 vs. Q4 2023**

Three months ended (\$ millions)	Wealth Management		Asset Management		Corporate & Other		Total	
	2024 Dec. 31	2023 Dec. 31	2024 Dec. 31	2023 Dec. 31	2024 Dec. 31	2023 Dec. 31	2024 Dec. 31	2023 Dec. 31
Revenues								
Wealth management	\$ 650.3	\$ 551.7	\$ –	\$ –	\$ (2.8)	\$ (1.7)	\$ 647.5	\$ 550.0
Asset management	–	–	288.3	259.5	(26.7)	(25.2)	261.6	234.3
Dealer compensation expense	–	–	(84.0)	(76.0)	(1.2)	(0.7)	(85.2)	(76.7)
Net asset management	–	–	204.3	183.5	(27.9)	(25.9)	176.4	157.6
Net investment income and other	3.3	3.7	8.5	4.0	5.5	2.9	17.3	10.6
Proportionate share of associates' earnings	(2.4)	(0.8)	29.2	32.3	26.3	25.1	53.1	56.6
	651.2	554.6	242.0	219.8	1.1	0.4	894.3	774.8
Expenses								
Advisory and business development	274.1	232.4	24.2	20.8	–	–	298.3	253.2
Operations and support	118.4	115.9	97.1	92.7	1.0	0.2	216.5	208.8
Sub-advisory	50.5	43.0	1.6	1.2	(30.9)	(27.5)	21.2	16.7
	443.0	391.3	122.9	114.7	(29.9)	(27.3)	536.0	478.7
Adjusted earnings before interest and taxes <sup>(1)</sup>	208.2	163.3	119.1	105.1	31.0	27.7	358.3	296.1
Interest expense <sup>(2)</sup>	26.0	26.0	6.5	6.5	–	–	32.5	32.5
Adjusted earnings before income taxes <sup>(1)</sup>	182.2	137.3	112.6	98.6	31.0	27.7	325.8	263.6
Income taxes	49.3	36.6	24.4	20.1	1.4	(0.7)	75.1	56.0
Adjusted net earnings – continuing operations <sup>(1)</sup>	132.9	100.7	88.2	78.5	29.6	28.4	250.7	207.6
Net earnings – discontinued operations	–	3.5	–	–	–	(4.5)	–	(1.0)
Adjusted net earnings <sup>(1)</sup>	132.9	104.2	88.2	78.5	29.6	23.9	250.7	206.6
Non-controlling interest	–	–	0.7	1.7	–	–	0.7	1.7
Adjusted net earnings available to common shareholders <sup>(1)</sup>	\$ 132.9	\$ 104.2	\$ 87.5	\$ 76.8	\$ 29.6	\$ 23.9	\$ 250.0	\$ 204.9
Other items <sup>(1)</sup> , net of tax								
Tax loss consolidation							4.7	–
Lifeco other items							–	(6.0)
Gain on sale of IPC							–	220.7
Net earnings available to common shareholders							\$ 254.7	\$ 419.6

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

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

## Financial Presentation

The financial presentation includes revenues and expenses to align with the key drivers of business activity and to reflect our emphasis on business growth and operational efficiency. The categories are 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 revenue relating to mortgage lending activities.

- **Asset management revenue** – revenues 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.
- **Proportionate share of associates' earnings** – the Company's proportionate share of earnings from



**Table 3: Consolidated Operating Results by Segment – Twelve Months Ended**

Twelve months ended (\$ millions)	Wealth Management		Asset Management		Corporate & Other		Total	
	2024 Dec. 31	2023 Dec. 31	2024 Dec. 31	2023 Dec. 31	2024 Dec. 31	2023 Dec. 31	2024 Dec. 31	2023 Dec. 31
Revenues								
Wealth management	\$ 2,445.6	\$ 2,206.2	\$ –	\$ –	\$ (9.5)	\$ (6.5)	\$ 2,436.1	\$ 2,199.7
Asset management	–	–	1,108.2	1,051.2	(105.5)	(102.2)	1,002.7	949.0
Dealer compensation expense	–	–	(325.3)	(311.4)	(3.9)	(2.7)	(329.2)	(314.1)
Net asset management	–	–	782.9	739.8	(109.4)	(104.9)	673.5	634.9
Net investment income and other	12.4	13.3	23.2	12.0	17.4	12.3	53.0	37.6
Proportionate share of associates' earnings	(10.1)	(3.3)	133.1	121.4	100.0	89.3	223.0	207.4
	2,447.9	2,216.2	939.2	873.2	(1.5)	(9.8)	3,385.6	3,079.6
Expenses								
Advisory and business development	1,033.9	922.7	86.8	83.5	–	–	1,120.7	1,006.2
Operations and support	463.0	438.5	372.1	362.7	2.6	1.2	837.7	802.4
Sub-advisory	191.4	172.4	5.7	4.6	(119.0)	(111.3)	78.1	65.7
	1,688.3	1,533.6	464.6	450.8	(116.4)	(110.1)	2,036.5	1,874.3
Adjusted earnings before interest and taxes <sup>(1)</sup>	759.6	682.6	474.6	422.4	114.9	100.3	1,349.1	1,205.3
Interest expense <sup>(2)</sup>	103.3	98.2	26.1	25.0	–	–	129.4	123.2
Adjusted earnings before income taxes <sup>(1)</sup>	656.3	584.4	448.5	397.4	114.9	100.3	1,219.7	1,082.1
Income taxes	178.6	156.1	94.2	83.8	4.0	(2.0)	276.8	237.9
Adjusted net earnings – continuing operations <sup>(1)</sup>	477.7	428.3	354.3	313.6	110.9	102.3	942.9	844.2
Net earnings – discontinued operations	–	15.0	–	–	–	(12.5)	–	2.5
Adjusted net earnings <sup>(1)</sup>	477.7	443.3	354.3	313.6	110.9	89.8	942.9	846.7
Non-controlling interest	–	0.2	3.9	3.4	–	–	3.9	3.6
Adjusted net earnings available to common shareholders <sup>(1)</sup>	\$ 477.7	\$ 443.1	\$ 350.4	\$ 310.2	\$ 110.9	\$ 89.8	\$ 939.0	\$ 843.1
Other items <sup>(1)</sup> , net of tax								
Tax loss consolidation							4.7	–
Lifeco other items							(6.9)	(22.4)
Rockefeller debt refinancing							(3.3)	–
Gain on sale of IPC							–	220.7
Restructuring and other							–	(76.2)
Gain on sale of Lifeco							–	168.6
Lifeco IFRS 17 adjustment							–	15.1
Net earnings available to common shareholders							\$ 933.5	\$ 1,148.9

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

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

equity investments including Lifeco, ChinaAMC, Northleaf and Rockefeller.

- **Advisory and business development expenses** – expenses incurred on activities directly associated with providing financial planning services to clients of the Wealth Management segment and wholesale distribution activities performed by the

Asset Management segment. Expenses include compensation, recognition and other support provided to our advisors, field management, product & planning specialists; expenses associated with facilities, technology and training relating to our advisors and specialists; other business development activities including direct marketing and advertising.

**Table 4: Consolidated Operating Results by Segment – Q4 2024 vs. Q3 2024**

Three months ended (\$ millions)	Wealth Management		Asset Management		Corporate & Other		Total	
	2024 Dec. 31	2024 Sep. 30	2024 Dec. 31	2024 Sep. 30	2024 Dec. 31	2024 Sep. 30	2024 Dec. 31	2024 Sep. 30
Revenues								
Wealth management	\$ 650.3	\$ 618.5	\$ –	\$ –	\$ (2.8)	\$ (2.5)	\$ 647.5	\$ 616.0
Asset management	–	–	288.3	280.5	(26.7)	(27.1)	261.6	253.4
Dealer compensation expense	–	–	(84.0)	(81.8)	(1.2)	(1.0)	(85.2)	(82.8)
Net asset management	–	–	204.3	198.7	(27.9)	(28.1)	176.4	170.6
Net investment income and other	3.3	1.1	8.5	5.0	5.5	4.0	17.3	10.1
Proportionate share of associates' earnings	(2.4)	(0.2)	29.2	36.3	26.3	25.3	53.1	61.4
	651.2	619.4	242.0	240.0	1.1	(1.3)	894.3	858.1
Expenses								
Advisory and business development	274.1	258.5	24.2	19.8	–	–	298.3	278.3
Operations and support	118.4	115.3	97.1	95.7	1.0	0.4	216.5	211.4
Sub-advisory	50.5	49.1	1.6	1.4	(30.9)	(30.5)	21.2	20.0
	443.0	422.9	122.9	116.9	(29.9)	(30.1)	536.0	509.7
Adjusted earnings before interest and taxes <sup>(1)</sup>	208.2	196.5	119.1	123.1	31.0	28.8	358.3	348.4
Interest expense <sup>(2)</sup>	26.0	25.8	6.5	6.6	–	–	32.5	32.4
Adjusted earnings before income taxes <sup>(1)</sup>	182.2	170.7	112.6	116.5	31.0	28.8	325.8	316.0
Income taxes	49.3	45.8	24.4	24.5	1.4	0.9	75.1	71.2
Adjusted net earnings – continuing operations <sup>(1)</sup>	132.9	124.9	88.2	92.0	29.6	27.9	250.7	244.8
Net earnings – discontinued operations	–	–	–	–	–	–	–	–
Adjusted net earnings <sup>(1)</sup>	132.9	124.9	88.2	92.0	29.6	27.9	250.7	244.8
Non-controlling interest	–	–	0.7	0.7	–	–	0.7	0.7
Adjusted net earnings available to common shareholders <sup>(1)</sup>	\$ 132.9	\$ 124.9	\$ 87.5	\$ 91.3	\$ 29.6	\$ 27.9	\$ 250.0	\$ 244.1
Other items <sup>(1)</sup> , net of tax								
Tax loss consolidation							4.7	–
Lifeco other items							–	(4.9)
Net earnings available to common shareholders							\$ 254.7	\$ 239.2

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

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

A significant component of these expenses varies 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, 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.

Interest expense represents interest expense on long-term debt and leases. The increase in interest expense for the twelve months ended December 31, 2024 compared to 2023 resulted from the impact of the issuance of \$300 million 5.426% debentures on May 26,

**Table 5: Effective Income Tax Rate**

	<i>Three months ended</i>			<i>Twelve months ended</i>	
	<b>2024 Dec. 31</b>	2024 Sep. 30	2023 Dec. 31	<b>2024 Dec. 31</b>	2023 Dec. 31
<b>Income taxes at Canadian federal and provincial statutory rates</b>	<b>26.58 %</b>	26.54 %	26.65 %	<b>26.57 %</b>	26.68 %
Effect of:					
Proportionate share of associates' earnings <sup>(1)</sup>	<b>(3.55)</b>	(4.14)	(4.98)	<b>(3.95)</b>	(3.92)
Other	–	0.08	(0.58)	<b>0.05</b>	(0.46)
<b>Effective income tax rate – before other items</b>	<b>23.03</b>	22.48	21.09	<b>22.67</b>	22.30
Tax loss consolidation	<b>(1.44)</b>	–	–	<b>(0.39)</b>	–
Lifeco other items <sup>(2)</sup>	–	0.42	0.61	<b>0.15</b>	0.52
Rockefeller debt refinancing	–	–	–	<b>0.07</b>	–
Gain on sale of Lifeco	–	–	–	–	(3.68)
Lifeco IFRS 17 adjustment	–	–	–	–	(0.35)
<b>Effective income tax rate – net earnings from continuing operations</b>	<b>21.59 %</b>	22.90 %	21.70 %	<b>22.50 %</b>	18.79 %

(1) Includes proportionate share of Lifeco's base earnings.

(2) Comparative figures have been restated to include Lifeco other items.

2023. Interest expense is allocated to each segment based on management's assessment of: i) capacity to service the debt, and ii) where the debt is being serviced. Interest expense related to the credit facility, which was temporary financing put in place in the second quarter of 2023 and was repaid in the fourth quarter prior to the close of the IPC sale, is included in discontinued operations and totalled \$6.0 million and \$17.9 million, respectively, for the three and twelve months ended December 31, 2023.

Income taxes are reported in each segment. IGM Financial consolidated changes in the effective tax rates are detailed in Table 5.

Tax planning may result in the Company recording lower levels of income taxes. Management monitors the status of its income tax filings and regularly assesses the overall adequacy of its provision for income taxes and, as a result, income taxes recorded in prior years may be adjusted in the current year. The effect of changes in management's best estimates reported in adjusted net earnings is reflected in Other, which also includes, but is not limited to, the effect of lower effective income tax rates on foreign operations.

In December 2021, the Organization for Economic Co-operation and Development (OECD) published the Pillar Two model rules outlining a structure for a new 15% global minimum tax regime. Pillar Two draft legislation in Canada was enacted on June 20, 2024, and applies retroactively to January 1, 2024. Other countries

where the Company operates, including Ireland and the UK, had previously enacted Pillar Two legislation, also effective January 1, 2024.

The global minimum tax is complex in nature and will apply to the Company as part of a larger related group of companies. The Company currently expects the global minimum tax to apply to income in Ireland where the statutory tax rate is below 15%. The amount of tax is not expected to be material to the Company.

Other items, as reflected in Tables 2, 3 and 4, 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 and are not allocated to segments.

Other items for the year ended December 31, 2024 consisted of:

- Tax loss consolidation of \$4.7 million, recorded in the fourth quarter, related to the benefit from tax loss consolidation transactions that the Company has entered into with a subsidiary of Power.
- The Company's proportionate share of items Lifeco excludes from its base earnings (Lifeco other items) of (\$6.9) million.
- The Company's proportionate share of Rockefeller one-time debt refinancing costs of \$3.3 million, recorded in the second quarter, related to the early repayment of one of Rockefeller's financing facilities.

Other items for the year ended December 31, 2023 consisted of:

- Lifeco other items of (\$22.4) million, including (\$6.0) million recorded in the fourth quarter.
- A gain on the sale of IPC of \$220.7 million recorded in the fourth quarter.
- Restructuring and other charges of \$76.2 million after-tax (\$103.3 million pre-tax), recorded in the second quarter, related to further streamlining and simplifying the Company's operating model to better align with business priorities.
- A gain on the sale of a portion of the Company's investment in Lifeco of \$168.6 million after-tax (\$172.9 million pre-tax), consisting of \$174.8 million recorded in the first quarter and a decrease of \$6.2 million that was recorded on a prospective basis in the second quarter.
- Lifeco IFRS 17 adjustment of \$15.1 million, recorded in the second quarter, representing a change of estimate which was recorded on a prospective basis.

## Total AUM&A

IGM Financial's AUM&A Including SI were \$483.5 billion as at December 31, 2024 compared to \$390.6 billion at December 31, 2023, as detailed in Table 6.

AUM&A were \$270.4 billion at December 31, 2024 compared to \$240.2 billion at December 31, 2023, an increase of 12.6%, as detailed in Table 6. AUM were \$253.1 billion at December 31, 2024 compared to \$226.6 billion at December 31, 2023, an increase of 11.7%.

AUM&A net outflows for the twelve months ended December 31, 2024 were \$1.2 billion compared to net outflows of \$2.0 billion in 2023, as detailed in Table 6. Investment fund net redemptions for the twelve month period were \$1.8 billion in 2024 compared to net redemptions of \$4.3 billion in 2023. Net inflows in the fourth quarter of 2024 were \$244 million compared to net outflows of \$1.2 billion in the fourth quarter of 2023, as detailed in Table 6. Fourth quarter investment fund net sales were \$7 million compared to net redemptions of \$1.9 billion in 2023. Net flows and net sales are based on AUM&A excluding sub-advisory assets to Canada Life and to the Wealth Management segment.

In January 2024, the IG Wealth Management pension plan executed a redemption of \$177 million from IG Wealth Management mutual funds. These funds were subsequently reallocated into a separately managed account managed by Mackenzie. Excluding

this specific activity, IGM Financial investment funds net redemptions for the twelve months ended December 31, 2024 amounted to \$1.7 billion, while separately managed accounts experienced net redemptions of \$566 million. Notably, this transaction had no impact on the overall net flows for IGM Financial.

In June 2024, IGM Financial experienced heightened investment fund gross sales, redemptions and heightened positive other net flows due to clients strategically triggering capital gains in advance of changes to Canada's capital gains tax policy that took effect on June 25, 2024.

The Company also benefits from the underlying assets under management of the Company's investments in associates, including ChinaAMC, Northleaf, Rockefeller and its investment in Wealthsimple which is classified as FVTOCI. The Company has included its proportionate share of the AUM&A of these investments in its AUM&A Including SI based on its direct and indirect interest in these companies.

At December 31, 2024, ChinaAMC's AUM was RMB¥ 2,464.5 billion (\$486.2 billion) compared to RMB¥ 1,823.6 billion (\$341.0 billion) at December 31, 2023, an increase of 35.1% (CAD 42.6%). IGM Financial holds a 27.8% interest in ChinaAMC.

At December 31, 2024, Northleaf's AUM was \$32.0 billion compared to \$26.6 billion at December 31, 2023, an increase of 20.3%. IGM Financial holds a 56% economic interest in Northleaf.

At December 31, 2024, Rockefeller's client assets were USD \$151.2 billion (\$217.7 billion) compared to USD \$122.1 billion (\$161.6 billion) at December 31, 2023, an increase of 23.8% (CAD 34.7%). IGM Financial holds a 20.5% interest in Rockefeller.

At December 31, 2024, Wealthsimple's AUA was \$64.0 billion compared to \$31.0 billion at December 31, 2023, an increase of 106.4%. IGM Financial holds a 27.2% interest in Wealthsimple.

Changes in AUM&A for the Wealth Management and Asset Management segments are discussed further in each of their respective Review of the Business sections in the MD&A.

## Selected Annual Information

Financial information for the three most recently completed years is included in Table 7.

*Net Earnings and Earnings per Share* – Except as noted in the reconciliation in Table 7, variations in net earnings

**Table 6: AUM&A**

	Wealth Management <sup>(1)</sup>		Asset Management <sup>(2)</sup>		Intercompany Eliminations <sup>(3)</sup>		Consolidated	
	2024 Dec. 31	2023 Dec. 31	2024 Dec. 31	2023 Dec. 31	2024 Dec. 31	2023 Dec. 31	2024 Dec. 31	2023 Dec. 31
<i>(\$ millions)</i>								
<b>Three months ended</b>								
<b>Gross flows</b>								
Mutual fund gross sales <sup>(4)</sup>	\$ 3,814	\$ 2,628	\$ 2,188	\$ 1,736	\$ -	\$ -	\$ 6,002	\$ 4,364
Dealer gross inflows <sup>(3)</sup>	3,917	3,089	-	-	-	-	3,917	3,089
Discontinued operations inflows	-	1,196	-	-	-	-	-	1,196
<b>Net flows</b>								
Mutual fund net sales <sup>(4)</sup>	384	(1,052)	(699)	(987)	-	-	(315)	(2,039)
ETF net creations	-	-	322	161	-	-	322	161
Investment fund net sales	384	(1,052)	(377)	(826)	-	-	7	(1,878)
Institutional SMA net sales	-	-	68	(186)	-	-	68	(186)
IGM product net sales	384	(1,052)	(309)	(1,012)	-	-	75	(2,064)
Other dealer net flows	169	824	-	-	-	1	169	825
Total net flows <sup>(3)</sup>	553	(228)	(309)	(1,012)	-	1	244	(1,239)
Discontinued operations net flows	-	387	-	-	-	17	-	404
Total net flows including discontinued operations <sup>(3)</sup>	553	160	(309)	(1,012)	-	17	244	(835)
<b>Twelve months ended</b>								
<b>Gross flows</b>								
Mutual fund gross sales <sup>(4)</sup>	\$ 15,126	\$ 10,917	\$ 8,499	\$ 7,270	\$ -	\$ -	\$ 23,625	\$ 18,187
Dealer gross inflows <sup>(3)</sup>	14,613	12,650	-	-	-	-	14,613	12,650
Discontinued operations inflows	-	4,671	-	-	-	-	-	4,671
<b>Net flows</b>								
Mutual fund net sales <sup>(4)(5)</sup>	(230)	(2,254)	(2,700)	(2,314)	-	-	(2,930)	(4,568)
ETF net creations	-	-	1,088	245	-	-	1,088	245
Investment fund net sales	(230)	(2,254)	(1,612)	(2,069)	-	-	(1,842)	(4,323)
Institutional SMA net sales <sup>(5)(6)</sup>	-	-	(389)	192	-	-	(389)	192
IGM product net sales	(230)	(2,254)	(2,001)	(1,877)	-	-	(2,231)	(4,131)
Other dealer net flows	986	2,089	-	-	-	1	986	2,090
Total net flows <sup>(3)</sup>	756	(165)	(2,001)	(1,877)	-	1	(1,245)	(2,041)
Discontinued operations net flows	-	728	-	-	-	98	-	826
Total net flows including discontinued operations <sup>(3)</sup>	756	567	(2,001)	(1,877)	-	95	(1,245)	(1,215)

(1) Mackenzie Investment fund products sold through IG Wealth Management are reported within IG Wealth Management's AUM and Mackenzie Sub-advisory and AUM to Wealth Management.

(2) Asset Management flows activity excludes sub-advisory to Canada Life and the Wealth Management segment.

(3) Consolidated results eliminate double counting where business is reflected within multiple segments.

(4) Wealth Management AUM and net sales include separately managed accounts.

(5) In the first quarter of 2024, the IG Wealth Management pension plan redeemed \$177 million from IG Wealth Management mutual funds that was re-allocated into a separately managed account managed by Mackenzie.

(6) Sub-advisory, institutional and other accounts - during the twelve month period of 2023, Mackenzie onboarded an institutional mandate of \$490 million.

and total revenues result primarily from changes in average AUM&A.

AUM&A Including SI were \$288.9 billion in 2022, increased to \$390.6 billion in 2023 and increased to \$483.5 billion in 2024. The increase in 2023 was driven primarily by the increase in proportionate share of ownership of ChinaAMC, the investment in Rockefeller

and an increase in the core business AUM&A. The increase in 2024 was driven largely by changes in financial markets during the periods as well as net flows of strategic investments.

AUM&A were \$224.2 billion in 2022, increased to \$240.2 billion in 2023 and increased to \$270.4 billion in 2024. Changes were driven largely by changes in

**Table 6: AUM&A (continued)**

(\$ millions)	Wealth Management		Asset Management		Intercompany Eliminations <sup>(1)</sup>		Consolidated	
	2024 Dec. 31	2023 Dec. 31	2024 Dec. 31	2023 Dec. 31	2024 Dec. 31	2023 Dec. 31	2024 Dec. 31	2023 Dec. 31
<b>AUM&amp;A</b>								
<b>IG Wealth Management</b>								
AUM <sup>(2)</sup>	\$123,200	\$107,635						
Other AUA	17,220	13,588						
AUA	140,420	121,223						
<b>Mackenzie Investments</b>								
Mutual funds			\$ 61,435	\$ 56,408				
ETFs <sup>(3)</sup>			7,258	5,507				
Investment funds			68,693	61,915				
Institutional SMA			8,375	7,367				
Sub-advisory to Canada Life <sup>(4)</sup>			52,879	49,665				
Total Institutional SMA			61,254	57,032				
Third Party AUM			129,947	118,947				
Sub-advisory and AUM to Wealth Management <sup>(4)</sup>			83,369	76,758				
Total AUM			213,316	195,705				
<b>Consolidated excluding discontinued operations</b>								
AUM	\$123,200	\$107,635	\$ 213,316	\$ 195,705	\$ (83,369)	\$ (76,758)	\$ 253,147	\$ 226,582
AUM&A	140,420	121,223	213,316	195,705	(83,369)	(76,758)	270,367	240,170
<b>Strategic investments<sup>(5)</sup></b>								
ChinaAMC			135,173	94,792				
Northleaf			17,926	14,912				
Rockefeller	44,542	33,061						
Wealthsimple	17,400	8,905						
Intra-segment eliminations	(8)	(6)	(361)	(260)				
	61,934	41,960	152,738	109,444	(1,544)	(1,000)	213,128	150,404
<b>Consolidated AUM&amp;A Including SI</b>	<b>\$202,354</b>	<b>\$163,183</b>	<b>\$366,054</b>	<b>\$ 305,149</b>	<b>\$ (84,913)</b>	<b>\$ (77,758)</b>	<b>\$483,495</b>	<b>\$ 390,574</b>

(1) Consolidated results eliminate double counting where business is reflected within multiple segments.

(2) Wealth Management AUM includes separately managed accounts.

(3) ETF assets inclusive of IGM Financial's managed products were \$15.5 billion at December 31, 2024 (2023 – \$12.9 billion).

(4) Effective November 30, 2023, Mackenzie's sub-advisory to discontinued operations, which had previously been reported in sub-advisory and AUM to Wealth Management, are now reported in sub-advisory to Canada Life.

(5) Proportionate share of strategic investments' AUM comprised of 27.8% (2023 – 27.8%) of ChinaAMC's AUM, 56% (2023 – 56%) of Northleaf's AUM, 20.5% (2023 – 20.5%) of Rockefeller's client assets, and 27.2% (2023 – 28.7%) of Wealthsimple's AUA.

financial markets during the periods. Average total AUM&A for the year ended December 31, 2024 were \$256.0 billion compared to \$232.8 billion in 2023. The impact on earnings and revenues of changes in average total AUM&A and other pertinent items are discussed in the Review of Segment Operating Results sections of the MD&A for both IG Wealth Management and Mackenzie.

*Dividends per Common Share* – Annual dividends per common share were \$2.25 in 2024, unchanged from 2023 and 2022.

## Summary of Quarterly Results

The Summary of Quarterly Results in Table 8 includes the eight most recent quarters and the reconciliation of non-IFRS financial measures to net earnings in accordance with IFRS.

Changes in average AUM&A over the eight most recent quarters, as shown in Table 8, largely reflect the impact of changes in domestic and foreign markets and net sales of the Company.

**Table 7: Selected Annual Information**

	2024	2023	2022
<b>Consolidated statements of earnings (\$ millions)</b>			
Revenues			
Wealth management	\$ 2,436.1	\$ 2,199.7	\$ 2,159.9
Net asset management	673.5	634.9	639.6
Net investment income and other	53.0	37.6	22.3
Proportionate share of associates' earnings	223.0	207.4	210.7
	<b>3,385.6</b>	<b>3,079.6</b>	<b>3,032.5</b>
Expenses			
	<b>1,219.7</b>	<b>1,082.1</b>	<b>1,107.1</b>
Lifeco other items	(6.9)	(22.4)	–
Rockefeller debt refinancing	(3.3)	–	–
Restructuring and other	–	(103.3)	–
Gain on sale of Lifeco	–	172.9	–
Lifeco IFRS 17 adjustment	–	15.1	–
Earnings before income taxes	<b>1,209.5</b>	<b>1,144.4</b>	<b>1,107.1</b>
Income taxes	<b>272.1</b>	<b>215.1</b>	<b>246.0</b>
Net earnings from continuing operations	<b>937.4</b>	<b>929.3</b>	<b>861.1</b>
Net earnings from discontinued operations	–	223.2	11.4
Net earnings	<b>937.4</b>	<b>1,152.5</b>	<b>872.5</b>
Non-controlling interest	(3.9)	(3.6)	(5.3)
Net earnings available to common shareholders	<b>\$ 933.5</b>	<b>\$ 1,148.9</b>	<b>\$ 867.2</b>
<b>Reconciliation of non-IFRS financial measures (\$ millions)</b>			
Adjusted net earnings available to common shareholders <sup>(1)</sup>	<b>\$ 939.0</b>	<b>\$ 843.1</b>	<b>\$ 867.2</b>
Other items:			
Tax loss consolidation	4.7	–	–
Lifeco other items	(6.9)	(22.4)	–
Rockefeller debt refinancing	(3.3)	–	–
Gain on sale of IPC	–	220.7	–
Restructuring and other, net of tax	–	(76.2)	–
Gain on sale of Lifeco, net of tax	–	168.6	–
Lifeco IFRS 17 adjustment	–	15.1	–
Net earnings available to common shareholders	<b>\$ 933.5</b>	<b>\$ 1,148.9</b>	<b>\$ 867.2</b>
<b>Earnings per share (\$)</b>			
Adjusted earnings per share <sup>(1)</sup>			
– Basic	<b>\$ 3.96</b>	<b>\$ 3.54</b>	<b>\$ 3.64</b>
– Diluted	<b>3.95</b>	<b>3.54</b>	<b>3.63</b>
Earnings per share			
– Basic	<b>3.93</b>	<b>4.83</b>	<b>3.64</b>
– Diluted	<b>3.93</b>	<b>4.82</b>	<b>3.63</b>
<b>Dividends per share (\$)</b> – Common	<b>\$ 2.25</b>	<b>\$ 2.25</b>	<b>\$ 2.25</b>
<b>Average AUM&amp;A<sup>(2)</sup> (\$ billions)</b>			
Investment fund AUM	<b>\$ 181.7</b>	<b>\$ 164.8</b>	<b>\$ 164.0</b>
AUM	<b>241.0</b>	<b>220.7</b>	<b>220.8</b>
AUM&A	<b>256.0</b>	<b>232.8</b>	<b>229.4</b>
<b>Ending AUM&amp;A<sup>(2)</sup> (\$ billions)</b>			
Investment fund AUM	<b>\$ 191.9</b>	<b>\$ 169.5</b>	<b>\$ 158.9</b>
AUM	<b>253.1</b>	<b>226.6</b>	<b>213.6</b>
AUM&A	<b>270.4</b>	<b>240.2</b>	<b>224.2</b>
<b>Ending AUM&amp;A Including SI<sup>(2)</sup> (\$ billions)</b>	<b>\$ 483.5</b>	<b>\$ 390.6</b>	<b>\$ 288.9</b>
Total corporate assets (\$ millions)	<b>\$ 20,683</b>	<b>\$ 18,663</b>	<b>\$ 18,738</b>
Total long-term debt (\$ millions)	<b>\$ 2,400</b>	<b>\$ 2,400</b>	<b>\$ 2,100</b>
Outstanding common shares (thousands)	<b>237,879</b>	<b>238,132</b>	<b>237,668</b>
Average outstanding shares – Diluted (thousands)	<b>237,609</b>	<b>238,418</b>	<b>238,996</b>

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

(2) As detailed in AUM&A definitions, AUM, AUA and AUM&A exclude IPC discontinued operations.

**Table 8: Summary of Quarterly Results**

	2024 Q4	2024 Q3	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1
<b>Consolidated statements of earnings (\$ millions)</b>								
Revenues								
Wealth management	\$ 647.5	\$ 616.0	\$ 590.0	\$ 582.6	\$ 550.0	\$ 563.1	\$ 552.5	\$ 534.1
Asset management	261.6	253.4	245.8	241.9	234.3	239.9	238.7	236.1
Dealer compensation expense	(85.2)	(82.8)	(81.1)	(80.1)	(76.7)	(78.6)	(79.5)	(79.3)
Net asset management	176.4	170.6	164.7	161.8	157.6	161.3	159.2	156.8
Net investment income and other	17.3	10.1	10.0	15.6	10.6	7.9	8.1	11.0
Proportionate share of associates' earnings	53.1	61.4	55.7	52.8	56.6	49.2	48.8	52.8
	<b>894.3</b>	<b>858.1</b>	<b>820.4</b>	<b>812.8</b>	<b>774.8</b>	<b>781.5</b>	<b>768.6</b>	<b>754.7</b>
Expenses								
Advisory and business development	298.3	278.3	278.5	265.6	253.2	253.3	254.0	245.7
Operations and support	216.5	211.4	205.9	203.9	208.8	196.4	195.4	201.8
Sub-advisory	21.2	20.0	19.1	17.8	16.7	16.8	16.4	15.8
Interest <sup>(1)</sup>	32.5	32.4	32.2	32.3	32.5	32.5	30.1	28.1
	<b>568.5</b>	<b>542.1</b>	<b>535.7</b>	<b>519.6</b>	<b>511.2</b>	<b>499.0</b>	<b>495.9</b>	<b>491.4</b>
Earnings before undernoted	325.8	316.0	284.7	293.2	263.6	282.5	272.7	263.3
Lifeco other items	–	(4.9)	(0.9)	(1.1)	(6.0)	(10.7)	(5.9)	0.2
Rockefeller debt refinancing	–	–	(3.3)	–	–	–	–	–
Restructuring and other	–	–	–	–	–	–	(103.3)	–
Gain on sale of Lifeco	–	–	–	–	–	–	(6.2)	179.1
Lifeco IFRS 17 adjustment	–	–	–	–	–	–	15.1	–
Earnings before income taxes	325.8	311.1	280.5	292.1	257.6	271.8	172.4	442.6
Income taxes	70.4	71.2	63.2	67.3	56.0	60.4	35.4	63.3
Net earnings from continuing operations	255.4	239.9	217.3	224.8	201.6	211.4	137.0	379.3
Net earnings from discontinued operations	–	–	–	–	219.7	(1.5)	1.8	3.2
Net earnings	255.4	239.9	217.3	224.8	421.3	209.9	138.8	382.5
Non-controlling interest	0.7	0.7	1.1	1.4	1.7	0.1	0.6	1.2
Net earnings available to common shareholders	\$ 254.7	\$ 239.2	\$ 216.2	\$ 223.4	\$ 419.6	\$ 209.8	\$ 138.2	\$ 381.3
<b>Reconciliation of non-IFRS financial measures (\$ millions)</b>								
Adjusted net earnings available to common shareholders <sup>(2)</sup>	\$ 250.0	\$ 244.1	\$ 220.4	\$ 224.5	\$ 204.9	\$ 220.5	\$ 211.4	\$ 206.3
Other items:								
Tax loss consolidation	4.7	–	–	–	–	–	–	–
Lifeco other items	–	(4.9)	(0.9)	(1.1)	(6.0)	(10.7)	(5.9)	0.2
Rockefeller debt refinancing	–	–	(3.3)	–	–	–	–	–
Gain on sale of IPC	–	–	–	–	220.7	–	–	–
Restructuring and other, net of tax (\$27.1 million)	–	–	–	–	–	–	(76.2)	–
Gain on sale of Lifeco, net of tax (Q1 – \$4.3 million)	–	–	–	–	–	–	(6.2)	174.8
Lifeco IFRS 17 adjustment	–	–	–	–	–	–	15.1	–
Net earnings available to common shareholders	\$ 254.7	\$ 239.2	\$ 216.2	\$ 223.4	\$ 419.6	\$ 209.8	\$ 138.2	\$ 381.3
<b>Earnings per share (\$)</b>								
Adjusted earnings per share <sup>(2)</sup>								
– Basic	\$ 1.05	\$ 1.03	\$ 0.93	\$ 0.94	\$ 0.86	\$ 0.93	\$ 0.89	\$ 0.87
– Diluted	1.05	1.03	0.93	0.94	0.86	0.92	0.89	0.87
Earnings per share								
– Basic	1.07	1.01	0.91	0.94	1.76	0.88	0.58	1.60
– Diluted	1.07	1.01	0.91	0.94	1.76	0.88	0.58	1.60
<b>Average outstanding shares – Diluted (thousands)</b>	<b>238,304</b>	<b>236,931</b>	<b>237,397</b>	<b>238,112</b>	<b>238,156</b>	<b>238,550</b>	<b>238,631</b>	<b>238,424</b>
<b>Average AUM&amp;A<sup>(3)</sup> (\$ billions)</b>								
Investment fund AUM	\$ 192.0	\$ 183.8	\$ 178.0	\$ 173.0	\$ 164.0	\$ 165.7	\$ 165.4	\$ 164.2
AUM	253.3	243.4	236.3	231.0	219.2	221.5	221.8	220.2
AUM&A	269.3	258.6	250.9	245.0	232.1	233.7	233.6	231.6
<b>Ending AUM&amp;A<sup>(3)</sup> (\$ billions)</b>								
Investment fund AUM	\$ 191.9	\$ 188.6	\$ 179.4	\$ 178.5	\$ 169.5	\$ 160.9	\$ 166.3	\$ 165.6
AUM	253.1	249.3	237.4	237.7	226.6	215.2	222.6	222.3
AUM&A	270.4	264.9	252.4	252.2	240.2	227.4	234.7	234.1
<b>Ending AUM&amp;A Including SI<sup>(3)</sup> (\$ billions)</b>	<b>\$ 483.5</b>	<b>\$ 461.6</b>	<b>\$ 431.7</b>	<b>\$ 422.8</b>	<b>\$ 390.6</b>	<b>\$ 373.8</b>	<b>\$ 376.1</b>	<b>\$ 349.9</b>

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

(2) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

(3) As detailed in AUM&A definitions, AUM, AUA and AUM&A exclude IPC discontinued operations.



# Wealth Management

The Wealth Management segment includes IG Wealth Management and strategic investments in Rockefeller and Wealthsimple.

The Wealth Management segment also included IPC in 2023, which was classified as discontinued operations and was sold in the fourth quarter of 2023.

Wealth Management revenue consists of:

- **Advisory fees** are related to providing financial advice to clients including fees related to the distribution of products and depend largely on the level and composition of AUA.
- **Product and program fees** are related to the management of investment products and include management, administration and other related fees and depend largely on the level and composition of assets under management.

- **Other financial planning revenues** are fees related to providing clients other financial products including mortgages, insurance and banking products.
- **Proportionate share of associates' earnings** is the Company's proportionate share of earnings from the segment's equity investments.

Sub-advisory fees are paid between segments and to third parties for investment management services provided to our investment products. Wealth Management is considered a client of the Asset Management segment and transfer pricing is based on values for similar sized asset management mandates.

Debt and interest expense is allocated to each IGM Financial segment based on management's assessment of: i) capacity to service the debt, and ii) where the debt is being serviced. Income taxes are also reported in each segment.

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## Review of the Business

IG Wealth Management, founded in 1926, is a leading wealth management company in Canada. Through a network of advisors located across the country, IG Wealth Management provides clients with personalized advice, comprehensive financial planning, insurance and mortgage services and professionally managed investment solutions.

Rockefeller, founded in 2018, is a leading U.S. independent financial services advisory firm focused on the high-net-worth and ultra-high-net-worth segments. Rockefeller's goal is to be a premier advisory firm that redefines and elevates the financial services experience to empower individuals, families, institutions and corporations to realize their aspirations and achieve their most important goals.

Wealthsimple, founded in 2014, is one of Canada's fastest growing financial services companies and provides simple digital tools for growing and managing client money. Wealthsimple's mission is to help everyone achieve financial freedom.

### Rockefeller Capital Management

On April 3, 2023, IGM Financial acquired a 20.5% equity interest in Rockefeller for cash consideration of \$835 million (USD \$622 million).

### Investment Planning Counsel

On November 30, 2023, IGM Financial completed the sale of 100% of the common shares of IPC.

The operating results of IPC included within the Wealth Management segment Table 11 – *Operating Results – Wealth Management* have been classified as discontinued operations and are shown as a separate line item for comparative periods under review.

### IG Wealth Management

IG Wealth Management is one of the largest independent financial planning firms in Canada, with advisors in every community from coast to coast. We are driven by our mission to inspire financial confidence that can transform the lives of our clients and their families and we are deeply committed to improving financial literacy in the communities where we work and live.

Our exclusive network is comprised of 3,136 advisors. IG Wealth Management clients are approximately one million individuals, families and business owners.

Canadians hold \$6.7 trillion in discretionary financial assets with financial institutions at December 31, 2023, based on the most recent report from Investor Economics, and we view these savings as IG Wealth Management's addressable market. 77% of these savings are held by households with over \$1 million, which are referred to as high net worth, and another 20% reside with households with between \$100,000 and \$1 million, which are referred to as mass affluent. These segments tend to have more complicated financial needs, and IG Wealth Management's focus on providing comprehensive financial planning solutions positions it well to compete and grow in these segments.

## Strategy

Our goal is to help Canadians achieve financial well-being through better planning as Canada's top financial planning firm.

We strive to meet our strategic mandate by:

- 1) Focusing on key mass affluent and high net worth segments by aligning our capabilities to industry wealth drivers.
- 2) Utilizing a segmented advice model to align our best-in-class advice with Canadians' financial planning needs and complexities.
- 3) Leveraging leading innovation to enhance client experience and improve operational efficiencies.

IG Wealth Management has a client-centric strategy with a focus on high net worth (HNW) and mass affluent client segments, which we define as households with over \$1 million and between \$100 thousand and \$1 million, respectively.

IG Wealth Management is committed to increasing the financial confidence of all Canadians by leveraging our people, expertise and resources because we believe it will help create stronger communities and a better future for all.

We believe that Canadians deserve a high standard of advice that takes into consideration all dimensions of their financial lives with financial plans tailored to meet and adapt to their needs.

We focus on providing comprehensive financial advice and well-constructed investment solutions designed to deliver returns and risks that take into account each client's needs and requirements.

## 2024 Developments

In the third quarter, IG Wealth Management announced a new strategic partnership with ClearEstate, a leading Canadian fin-tech company that offers comprehensive and modern estate planning and settlement services tailored to each client's individual needs. Through the partnership, IG advisors can provide clients with access to ClearEstate's intuitive, state-of-the-art platform and teams of specialized professionals that deliver an enhanced and personalized estate planning and settlement experience. To further strengthen the relationship, IGM Financial has made an equity investment in ClearEstate.

## Financial Advice

Our advisors focus on providing financial advice which is the value of all efforts that sit outside the investment portfolio construction. This includes the value that an advisor adds to a client relationship and comes from the creation and follow through of a well-constructed financial plan.

## Advisors

IG Wealth Management has a national distribution network of more than 3,000 advisors in communities throughout Canada. Our advisory services are most suited to individuals with complicated financial needs.

IG Wealth Management provides advice through two primary channels:

- IG Wealth Management entrepreneurial advisors are focused on households with more complex needs by focusing on households with greater than \$250,000 of assets.
- IG Wealth Management corporate channel advisors are focused on servicing households with less complex requirements with assets up to \$250,000.

Our entrepreneurial advisor network creates a competitive advantage and drives client engagement with a focus on comprehensive financial planning and product solutions. Our advantage is further enabled by hiring top quality advisors, increasing proficiency, improving technology, implementing a client segmentation approach and enhancing a strong brand.

AUA consists of the following:

- Clients with household assets greater than \$1 million (defined as "high net worth") which totalled \$61.8 billion at December 31, 2024, an increase of 34.8% from one year ago, and represented 44% of total AUA.

- Clients with household assets between \$100 thousand and \$1 million (defined as “mass affluent”) which totalled \$70.1 billion at December 31, 2024, an increase of 5.8% from one year ago, and represented 50% of total AUA.
- Clients with household assets less than \$100 thousand (defined as “mass market”) which totalled \$8.5 billion at December 31, 2024, a decrease of 6.6% from one year ago, and represented 6% of total AUA.

IG Wealth Management advisor practices are industry leaders in holding a credentialed financial planning designation. These designations are nationally recognized financial planning qualifications that require an individual to demonstrate financial planning competence through education, standardized examinations, continuing education requirements, and accountability to ethical standards.

The following provides a breakdown of the IG Wealth Management advisor network into its significant components at December 31, 2024:

- 1,633 advisor practices (1,700 at December 31, 2023), which reflect advisors with more than four years of experience. These practices may include associates as described below. The level and productivity of advisor practices is a key measurement of our business as they serve clientele representing approximately 94% of AUM.
- 219 new advisors (251 at December 31, 2023), which are those advisors with less than four years of experience.
- 1,284 associates and regional vice-presidents (1,188 at December 31, 2023). Associates are licensed team members of advisor practices who provide financial planning services and advice to the clientele served by the team.
- IG Wealth Management had a total advisor network of 3,136 (3,139 at December 31, 2023).

IG Wealth Management uses advisor productivity as a key performance measure in evaluating its advisor network. The productivity is measured based on gross inflows per advisor and is monitored for both advisor recruits with less than four years experience and advisor practices with greater than four years experience. Experienced recruits are included within the greater than four years experience category.

- The advisor recruit’s gross inflows were \$0.7 million per advisor, unchanged from the comparative period of 2023.

- The advisor practice gross inflows were \$2.2 million per practice compared to \$1.6 million in the comparative period of 2023.

Key initiatives that impact advisor productivity are:

- Tightened recruiting standards that increased the likelihood of success while also enhancing our culture and brand.
- Corporate advice channel that provides consistent service levels to clients with less complex needs and creates capacity for advisors.
- Product and pricing enhancements with a focus on the high net worth and mass affluent segments.
- Continued technology enhancements such as the Advisor Desktop powered by Salesforce.
- IG Living Plan™ and other client experience enhancements.
- Digital application to deliver tailored client investment proposals (powered by CapIntel).
- We established key partnerships to support our business in complex planning cases including relationships with ClearEstate, InterVal and Life Design Analysis.

We also support advisors and clients through our network of product and planning specialists, who assist in the areas of advanced financial planning, portfolio strategy and insurance. As part of the strategic mortgage partnership, nesto Inc. provides mortgage planning and home equity line of credit assistance to clients. These specialists help to ensure that we are providing comprehensive financial planning across all elements of a client’s financial life. Clients are served by our mutual fund licensed and securities licensed advisors and specialists.

#### **Client Experiences**

IG Wealth Management distinguishes itself from our competition by offering comprehensive planning to our clients that synchronize every aspect of their financial life. IG Wealth Management services clients located in communities throughout Canada. A primary focus is on advising and attracting high net worth and mass affluent clients.

For the distinct needs of the high net worth market, IG Private Wealth Management focuses on industry wealth drivers including tax planning and optimization, retirement readiness, wealth transfer and estate planning, small and medium enterprise monetization, high net worth financial literacy and philanthropy and legacy planning.

IG Living Plan allows clients to collaborate with an IG Wealth Management advisor through an enhanced

digital experience to develop and track a financial plan which is unique to each client's goals.

IG Wealth Management has a full range of products that allow us to provide a tailored IG Living Plan that evolves over time. These products include:

- Powerful financial solutions that include investment vehicles, focusing on managed solutions, that match risk and investment performance to each client's needs and requirements.
- Insurance products that include a variety of policy types from the leading insurers in Canada.
- Mortgage banking solutions that are offered as part of a comprehensive financial plan.

The Charitable Giving Program is a donor-advised giving program which enables Canadians to make donations and build an enduring charitable giving legacy with considerably less expense and complexity than setting up and administering their own private foundation.

The IG Advisory Account (IGAA) is a fee-based account that improves client experience by offering the ability to simplify and consolidate selected investments into a single account while providing all our clients with a transparent advisory fee. IGAA increases fee transparency and can hold most securities and investment products available in the marketplace to individual investors.

## Financial Solutions

IG Wealth Management strives to achieve expected investment returns for the lowest possible risk focusing on managed solutions that create value for clients through active management. To do this, we select and engage high-quality sub-advisors so our clients have access to a diverse range of investment products and solutions. Each asset manager is selected through a proven and rigorous process. We oversee all sub-advisors to ensure that their activities are consistent with their investment philosophies and with the investment objectives and strategies of the products they advise.

Our investment solutions leverage top global asset manager relationships including Mackenzie Investments and other world class investment firms such as Fidelity Investments Canada, T. Rowe Price (Canada), Sagard Credit Partners, Portage, Beutel Goodman & Company, PanAgora Asset Management, PIMCO Canada Corp., Northleaf Capital Partners (Canada), BristolGate Capital Partners, Aristotle Capital Boston, Putnam Investments Canada, Franklin Templeton Investment Management, Wellington Management Canada, Rockefeller & Co.,

JPMorgan Asset Management (Canada), BlackRock Asset Management Canada, ClearBridge Investments, 1832 Asset Management (Dynamic), American Century Investment Management, Manulife Investment Management (US) LLC, Manulife Investment Management (Hong Kong), and ChinaAMC.

We provide clients with an extensive suite of well-constructed and competitively priced financial solutions that incorporate public and private market investments as well as alternative investment strategies. We regularly enhance the scope and diversity of our investment offering with new funds and product changes that enable clients to achieve their goals. We believe that well-constructed managed solutions provide advisors with the best opportunity to focus on providing financial advice to their clients.

In the fourth quarter of 2024, IG Wealth Management received seven 2024 LSEG Lipper Fund Awards for investment performance across a range of equity and fixed income categories. The LSEG Lipper Fund Awards are given to fund managers that deliver consistently strong risk-adjusted performance relative to their peers based on an objective and quantitative methodology.

We provide portfolio construction with investment solutions that include public markets, private markets, and alternative strategies.

Our investment solutions include:

- *Wealth Portfolios* are a suite of professionally managed portfolio solutions that employ leading global asset managers and offer extensive diversification, including access to difficult-to-reach asset classes like real property and alternatives. These fund-on-fund solutions provide options to amplify specific outcomes, such as lower volatility, higher income, or higher potential capital growth.
- *iProfile™ Portfolios* provide the same investment expertise and approach to building portfolios that are typically reserved for only the largest investors. The portfolios include a variety of sophisticated investment strategies, such as alternative assets and private markets, that are out of reach for individual investors. The portfolios offer wide diversification, across a variety of asset classes to help minimize risk and maximize returns.
- *iProfile™ Private Discretionary Portfolios* are model portfolios comprised of iProfile Private Pools, available for households with investments held at IG Wealth Management in excess of \$250,000. iProfile Private Discretionary Portfolios have been designed to deliver

strong risk-adjusted returns by diversifying across asset classes, management styles and geographic regions.

- A deep and broad selection of mutual funds, diversified by manager, asset category, investment style, geography, market capitalization and sector.
- Segregated funds that provide for long-term investment growth potential combined with risk management, benefit guarantee features and estate planning efficiencies.
- Separately managed accounts (discretionary dealer-managed accounts).

We have incorporated investments in private assets into various mandates through commitments to investments managed by Northleaf, BlackRock, PIMCO and Sagard.

IG Wealth Management monitors its investment performance by comparing to certain benchmarks. Morningstar<sup>†</sup> fund ranking service is one of the rankings monitored when determining fund performance.

At December 31, 2024, 95.2% of IG Wealth Management mutual fund assets had a rating of three stars or better from Morningstar<sup>†</sup> fund ranking service and 71.4% had a rating of four or five stars. This compared to the Morningstar<sup>†</sup> universe of 87.9% for three stars or better and 55.3% for four and five star funds at December 31, 2024. Morningstar Ratings<sup>†</sup> are an objective, quantitative measure of a fund's three, five and ten year risk-adjusted performance relative to comparable funds.

## Other Products and Services

### Segregated Funds

IG Wealth Management offers segregated funds which include the IG Series of Guaranteed Investment Funds (GIFs). Select GIF policies allow for a Lifetime Income Benefit (LIB) option to provide guaranteed retirement income for life. The investment components of these segregated funds are managed by IG Wealth Management. At December 31, 2024, total segregated fund assets were \$1.2 billion, unchanged from December 31, 2023.

### Insurance

IG Wealth Management distributes life insurance in Canada through its arrangements with leading insurance companies, and offers a broad range of term, universal life, whole life, disability, critical illness, long-term care, personal health care coverage and group insurance.

At December 31, 2024, total in-force policies were approximately 372 thousand with an insured value of \$106 billion, compared to approximately 374 thousand

with an insured value of \$105 billion at December 31, 2023. Distribution of insurance products is enhanced through IG Wealth Management's Insurance Planning Specialists, located throughout Canada, who assist advisors with advanced estate planning solutions for high net worth clients.

### Securities Operations

Investors Group Securities Inc. is an investment dealer registered in all Canadian provinces and territories providing clients with securities services to complement their financial and investment planning.

### Mortgage Banking Operations

Mortgages, which include home equity lines of credit (HELOCs), are offered to clients by IG Wealth Management. Licensed mortgage brokers are located throughout each province in Canada, and work with our clients and their advisors to develop mortgage and lending strategies that meet the individual needs and goals of each client as part of their comprehensive financial plan.

Mortgage fundings offered through IG Wealth Management for the three and twelve months ended December 31, 2024 were \$260 million and \$971 million compared to \$211 million and \$833 million in 2023, an increase of 23.2% and 16.6%, respectively. At December 31, 2024, mortgages serviced totalled \$6.8 billion, unchanged from December 31, 2023.

### Private Company Advisory

Private Company Advisory is a comprehensive service to business owners in the small to midsize segment that provides advice on debt and equity financing, business valuation and succession.

## Wealth Management AUM and AUA

AUM and AUA are key performance indicators for the Wealth Management segment and are detailed in Tables 9 and 10.

Wealth Management AUA including strategic investments were \$202.4 billion at December 31, 2024, compared to \$163.2 billion at December 31, 2023. Strategic investments AUA is based on the Company's direct and indirect ownership interest in these companies.

IG Wealth Management's AUA were \$140.4 billion at December 31, 2024, an increase of 15.8% from December 31, 2023. The level of AUA is influenced by three factors: client inflows, client outflows and investment returns. AUA represents savings and

investment products, including AUM where we provide investment management services, that are held within our clients' accounts. Advisory fees are charged based on an annual percentage of substantially all AUA, through the IG Advisory Account fee, and represent the majority of the fees earned from our clients. Our entrepreneurial advisors' compensation is also based on AUA and net assets contributed by our clients.

At December 31, 2024, Rockefeller's client assets were USD \$151.2 billion (\$217.7 billion) compared to USD \$122.1 billion (\$161.6 billion) at December 31, 2023, an increase of 23.8% (CAD 34.7%). IGM Financial holds a 20.5% interest in Rockefeller.

At December 31, 2024, Wealthsimple's AUA was \$64.0 billion compared to \$31.0 billion at December 31, 2023, an increase of 106.4%. IGM Financial holds a 27.2% interest in Wealthsimple at December 31, 2024, compared to 28.7% at December 31, 2023.

## IG Wealth Management AUM and AUA

### Change in AUM & AUA – 2024 vs. 2023

IG Wealth Management's AUA were \$140.4 billion at December 31, 2024, an increase of 15.8% from \$121.2 billion at December 31, 2023. IG Wealth Management's mutual fund AUM were \$123.2 billion at December 31, 2024, representing an increase of 14.5% from \$107.6 billion at December 31, 2023. Average

**Table 9: Change in AUA – Wealth Management**

<i>Three months ended</i> (\$ millions)	2024		2023		Change	
	Dec. 31	Sep. 30	Dec. 31	Sep. 30	2024 Sep. 30	2023 Dec. 31
<b>Change in AUA – IG Wealth Management</b>						
Gross client inflows	\$ 3,917	\$ 3,432	\$ 3,089		14.1 %	26.8 %
Gross client outflows	3,364	3,102	3,317		8.4	1.4
<b>Net flows</b>	<b>553</b>	<b>330</b>	<b>(228)</b>		<b>67.6</b>	<b>N/M</b>
Investment returns	3,459	6,362	7,247		(45.6)	(52.3)
Net change in assets	4,012	6,692	7,019		(40.0)	(42.8)
Beginning assets	136,408	129,716	114,204		5.2	19.4
<b>Ending AUA</b>	<b>\$ 140,420</b>	<b>\$ 136,408</b>	<b>\$ 121,223</b>		<b>2.9 %</b>	<b>15.8 %</b>
<b>Strategic investments ending AUA</b>						
Rockefeller	\$ 44,542	\$ 41,192	\$ 33,061		8.1 %	34.7 %
Wealthsimple	17,400	14,234	8,905		22.2	95.4
Intra-segment eliminations	(8)	(7)	(6)		(14.3)	(33.3)
	\$ 61,934	\$ 55,419	\$ 41,960		11.8 %	47.6 %
<b>Consolidated ending AUA including strategic investments</b>	<b>\$ 202,354</b>	<b>\$ 191,827</b>	<b>\$ 163,183</b>		<b>5.5 %</b>	<b>24.0 %</b>
<b>Daily average AUA</b>						
IG Wealth Management	\$ 139,352	\$ 132,913	\$ 117,090		4.8 %	19.0 %
<b>Twelve months ended</b> (\$ millions)						
			2024 Dec. 31	2023 Dec. 31	Change	
<b>Change in AUA – IG Wealth Management</b>						
Gross client inflows			\$ 14,613	\$ 12,650	15.5 %	
Gross client outflows <sup>(1)</sup>			13,857	12,815	8.1	
<b>Net flows</b>			<b>756</b>	<b>(165)</b>	<b>N/M</b>	
Investment returns			18,441	10,572	74.4	
Net change in assets			19,197	10,407	84.5	
Beginning assets			121,223	110,816	9.4	
<b>Ending AUA</b>			<b>\$ 140,420</b>	<b>\$ 121,223</b>	<b>15.8 %</b>	
<b>Daily average AUA</b>						
IG Wealth Management			\$ 131,124	\$ 116,188	12.9 %	

(1) In Q1 2024, the IG Wealth Management pension plan redeemed \$177 million from IG Wealth Management mutual funds that was re-allocated into a separately managed account managed by Mackenzie.

**Table 10: Change in AUM – IG Wealth Management**

Three months ended (\$ millions)				Change	
	2024 Dec. 31	2024 Sep. 30	2023 Dec. 31	2024 Sep. 30	2023 Dec. 31
Sales	\$ 3,814	\$ 3,301	\$ 2,628	15.5 %	45.1 %
Redemptions	3,430	2,988	3,680	14.8	(6.8)
<b>Net sales (redemptions)</b>	<b>384</b>	<b>313</b>	<b>(1,052)</b>	<b>22.7</b>	<b>N/M</b>
Investment returns	2,028	5,820	6,742	(65.2)	(69.9)
Net change in assets	2,412	6,133	5,690	(60.7)	(57.6)
Beginning assets	120,788	114,655	101,945	5.3	18.5
<b>Ending assets</b>	<b>\$ 123,200</b>	<b>\$ 120,788</b>	<b>\$ 107,635</b>	<b>2.0 %</b>	<b>14.5 %</b>
<b>Daily average AUM</b>	<b>\$ 123,288</b>	<b>\$ 117,656</b>	<b>\$ 104,198</b>	<b>4.8 %</b>	<b>18.3 %</b>

Twelve months ended (\$ millions)				Change	
	2024 Dec. 31	2023 Dec. 31			
Sales <sup>(1)</sup>	\$ 15,126	\$ 10,917			38.6 %
Redemptions <sup>(1)(2)</sup>	15,356	13,171			16.6
<b>Net sales (redemptions)</b>	<b>(230)</b>	<b>(2,254)</b>			<b>89.8</b>
Investment returns	15,795	10,614			48.8
Net change in assets	15,565	8,360			86.2
Beginning assets	107,635	99,275			8.4
<b>Ending assets</b>	<b>\$ 123,200</b>	<b>\$ 107,635</b>			<b>14.5 %</b>
<b>Daily average AUM</b>	<b>\$ 116,134</b>	<b>\$ 104,121</b>			<b>11.5 %</b>

(1) In Q2 2024, IG Wealth Management experienced heightened investment fund gross sales, redemptions and heightened positive other net flows due to clients strategically triggering capital gains in advance of changes to Canada's capital gains tax policy.

(2) In Q1 2024, the IG Wealth Management pension plan redeemed \$177 million from IG Wealth Management mutual funds that was re-allocated into a separately managed account managed by Mackenzie.

daily mutual fund assets were \$123.3 billion in the fourth quarter of 2024, up 18.3% from \$104.2 billion in the fourth quarter of 2023. Average daily mutual fund assets were \$116.1 billion for the twelve months ended December 31, 2024, an increase of 11.5% from \$104.1 billion in 2023.

For the quarter ended December 31, 2024, gross client inflows of IG Wealth Management AUA were \$3.9 billion, compared to \$3.1 billion in 2023. For the quarter ended December 31, 2024, gross inflows from newly acquired clients with more than \$1.0 million of assets accounted for 33.1% of all newly acquired client inflows. Net client inflows were \$553 million compared to net client outflows of \$228 million in the comparable period in 2023. During the fourth quarter, investment returns resulted in an increase of \$3.5 billion in AUA compared to an increase of \$7.2 billion in the fourth quarter of 2023.

For the quarter ended December 31, 2024, sales of IG Wealth Management mutual funds through its advisor network were \$3.8 billion, an increase of 45.1% from the comparable period in 2023. Mutual fund redemptions totalled \$3.4 billion, a decrease of 6.8% from 2023. IG Wealth Management mutual fund net sales for the

fourth quarter of 2024 were \$384 million compared to net redemptions of \$1.1 billion in 2023. During the fourth quarter, investment returns resulted in an increase of \$2.0 billion in mutual fund assets compared to an increase of \$6.7 billion in the fourth quarter of 2023.

IG Wealth Management's annualized quarterly redemption rate for long-term funds was 10.5% in the fourth quarter of 2024, compared to 13.4% in the fourth quarter of 2023. IG Wealth Management's twelve month trailing redemption rate for long-term funds was 12.6% at December 31, 2024, compared to 12.2% at December 31, 2023. The corresponding average redemption rate for all other members of the Investment Funds Institute of Canada (IFIC) was approximately 15.2% at December 31, 2024.

In June 2024, IG Wealth Management experienced heightened investment fund gross sales, redemptions and heightened positive other net flows due to clients strategically triggering capital gains in advance of changes to Canada's capital gains tax policy.

For the twelve months ended December 31, 2024, gross client inflows of IG Wealth Management AUA were

\$14.6 billion and represented an increase of 15.5% from \$12.7 billion in the comparable period in 2023. For the twelve months ended December 31, 2024, gross inflows from newly acquired clients with more than \$1.0 million of assets accounted for 31.5% of all newly acquired client inflows. Net client inflows were \$756 million in the twelve month period, compared to net client outflows of \$165 million in the comparable period in 2023. During 2024, investment returns resulted in an increase of \$18.4 billion in AUA compared to an increase of \$10.6 billion in 2023.

For the twelve months ended December 31, 2024, sales of IG Wealth Management mutual funds through its advisor network were \$15.1 billion, an increase of 38.6% from 2023. Mutual fund redemptions totalled \$15.4 billion, an increase of 16.6% from 2023. Net redemptions of IG Wealth Management mutual funds were \$230 million compared to net redemptions of \$2.3 billion in 2023. During 2024, investment returns resulted in an increase of \$15.8 billion in mutual fund assets compared to an increase of \$10.6 billion in 2023.

In January 2024, the IG Wealth Management pension plan redeemed \$177 million from IG Wealth Management mutual funds that was re-allocated into a separately managed account managed by Mackenzie Investments. Excluding this activity, net client inflows and net redemptions for the twelve month period of 2024 were \$933 million and \$53 million, respectively.

#### ***Change in AUM & AUA – Q4 2024 vs. Q3 2024***

IG Wealth Management's AUA were \$140.4 billion at December 31, 2024, an increase of 2.9% from \$136.4 billion at September 30, 2024. IG Wealth Management's mutual fund AUM were \$123.2 billion at December 31, 2024, an increase of 2.0% from \$120.8 billion at September 30, 2024. Average daily mutual fund assets were \$123.3 billion in the fourth quarter of 2024 compared to \$117.7 billion in the third quarter of 2024, an increase of 4.8%.

For the quarter ended December 31, 2024, gross client inflows of IG Wealth Management AUA were \$3.9 billion, compared to \$3.4 billion in the prior quarter. Net client inflows were \$553 million compared to net client inflows of \$330 million in the prior quarter. During the fourth quarter, investment returns resulted in an increase of \$3.5 billion in AUA compared to an increase of \$6.4 billion in the prior quarter.

For the quarter ended December 31, 2024, sales of IG Wealth Management mutual funds through its advisor network were \$3.8 billion, an increase of 15.5% from the third quarter of 2024. Mutual fund redemptions totalled \$3.4 billion for the fourth quarter, an increase of 14.8% from the previous quarter, and the annualized quarterly redemption rate was 10.5% in the fourth quarter compared to 9.4% in the third quarter of 2024. IG Wealth Management mutual fund net sales were \$384 million for the current quarter compared to net sales of \$313 million in the previous quarter.



## Review of Segment Operating Results

The Wealth Management segment's adjusted net earnings are presented in Table 11 and include the operations of IG Wealth Management, earnings related to strategic investments and IPC.

As a result of the sale of IPC completed on November 30, 2023, the operating results of IPC included within the Wealth Management segment were classified as discontinued operations and are shown as a separate line item in Table 11 for all periods under review.

## IG Wealth Management

IG Wealth Management's adjusted net earnings are presented within Table 12. Adjusted net earnings for the fourth quarter of 2024 were \$135.3 million, an increase of 33.0% from the fourth quarter in 2023 and an increase of 7.8% from the prior quarter. Adjusted net earnings for the year ended December 31, 2024 were \$489.7 million, an increase of 13.3% from 2023.

**Table 11: Operating Results – Wealth Management**

Three months ended (\$ millions)	2024 Dec. 31	2024 Sep. 30	2023 Dec. 31	Change	
				2024 Sep. 30	2023 Dec. 31
<b>Revenues</b>					
Wealth Management					
Advisory fees	\$ 342.2	\$ 328.6	\$ 301.3	4.1 %	13.6 %
Product and program fees	265.7	253.5	224.0	4.8	18.6
	607.9	582.1	525.3	4.4	15.7
Redemption fees	–	–	–	–	–
Other financial planning revenues	42.4	36.4	26.4	16.5	60.6
Total Wealth Management	650.3	618.5	551.7	5.1	17.9
Net investment income and other	3.3	1.1	3.7	200.0	(10.8)
Proportionate share of associates' earnings	(2.4)	(0.2)	(0.8)	N/M	(200.0)
	651.2	619.4	554.6	5.1	17.4
<b>Expenses</b>					
Advisory and business development					
Asset-based compensation	178.2	169.5	145.6	5.1	22.4
Sales-based compensation	27.0	26.5	24.3	1.9	11.1
Other					
Other product commissions	23.0	19.7	18.7	16.8	23.0
Business development	45.9	42.8	43.8	7.2	4.8
	68.9	62.5	62.5	10.2	10.2
Total advisory and business development	274.1	258.5	232.4	6.0	17.9
Operations and support	118.4	115.3	115.9	2.7	2.2
Sub-advisory	50.5	49.1	43.0	2.9	17.4
	443.0	422.9	391.3	4.8	13.2
Adjusted earnings before interest and taxes <sup>(1)</sup>	208.2	196.5	163.3	6.0	27.5
Interest expense	26.0	25.8	26.0	0.8	–
Adjusted earnings before income taxes <sup>(1)</sup>	182.2	170.7	137.3	6.7	32.7
Income taxes	49.3	45.8	36.6	7.6	34.7
<b>Adjusted net earnings – continuing operations<sup>(1)</sup></b>	<b>132.9</b>	<b>124.9</b>	<b>100.7</b>	<b>6.4</b>	<b>32.0</b>
<b>Net earnings – discontinued operations<sup>(2)</sup></b>	<b>–</b>	<b>–</b>	<b>3.5</b>	<b>–</b>	<b>(100.0)</b>
Adjusted net earnings <sup>(1)</sup>	132.9	124.9	104.2	6.4	27.5
Non-controlling interest	–	–	–	–	–
<b>Adjusted net earnings available to common shareholders<sup>(1)</sup></b>	<b>\$ 132.9</b>	<b>\$ 124.9</b>	<b>\$ 104.2</b>	<b>6.4 %</b>	<b>27.5 %</b>

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

(2) IPC segment operating results.

**Table 11: Operating Results – Wealth Management (continued)**

<i>Twelve months ended</i> (\$ millions)	2024 Dec. 31	2023 Dec. 31	Change
<b>Revenues</b>			
Wealth Management			
Advisory fees	\$ 1,295.2	\$ 1,188.5	9.0 %
Product and program fees	995.7	890.5	11.8
	<b>2,290.9</b>	2,079.0	10.2
Redemption fees	–	1.0	(100.0)
Other financial planning revenues	154.7	126.2	22.6
Total Wealth Management	<b>2,445.6</b>	2,206.2	10.9
Net investment income and other	12.4	13.3	(6.8)
Proportionate share of associates' earnings	(10.1)	(3.3)	(206.1)
	<b>2,447.9</b>	2,216.2	10.5
<b>Expenses</b>			
Advisory and business development			
Asset-based compensation	665.6	584.4	13.9
Sales-based compensation	104.3	91.8	13.6
Other			
Other product commissions	82.1	66.7	23.1
Business development	181.9	179.8	1.2
	<b>264.0</b>	246.5	7.1
Total advisory and business development	<b>1,033.9</b>	922.7	12.1
Operations and support	463.0	438.5	5.6
Sub-advisory	191.4	172.4	11.0
	<b>1,688.3</b>	1,533.6	10.1
Adjusted earnings before interest and taxes <sup>(1)</sup>	759.6	682.6	11.3
Interest expense	103.3	98.2	5.2
Adjusted earnings before income taxes <sup>(1)</sup>	656.3	584.4	12.3
Income taxes	178.6	156.1	14.4
<b>Adjusted net earnings – continuing operations<sup>(1)</sup></b>	<b>477.7</b>	428.3	11.5
<b>Net earnings – discontinued operations<sup>(2)</sup></b>	–	15.0	(100.0)
Adjusted net earnings <sup>(1)</sup>	477.7	443.3	7.8
Non-controlling interest	–	0.2	(100.0)
<b>Adjusted net earnings available to common shareholders<sup>(1)</sup></b>	<b>\$ 477.7</b>	\$ 443.1	7.8 %

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

(2) IPC segment operating results.

Adjusted earnings before interest and taxes for the fourth quarter of 2024 were \$210.8 million, an increase of 28.3% from the fourth quarter in 2023 and an increase of 7.1% from the prior quarter. Adjusted earnings before interest and taxes for the year ended December 31, 2024 were \$770.6 million, an increase of 12.2% from 2023.

## 2024 vs. 2023

### Fee Income

Advisory fees include fees for providing financial advice to clients including fees related to the distribution

of products, and depend largely on the level and composition of AUA. Advisory fees were \$342.2 million in the fourth quarter of 2024, an increase of \$40.9 million or 13.6% from \$301.3 million in 2023. For the twelve months ended December 31, 2024, advisory fees were \$1,295.2 million, an increase of \$106.7 million or 9.0% from \$1,188.5 million in 2023.

The increase in advisory fees in the three months ending December 31, 2024 was primarily due to the increase in average AUA of 19.0%, as shown in Table 9, partially offset by a decrease in the advisory fee rate.

**Table 12: Operating Results – IG Wealth Management**

<b>Three months ended</b> (\$ millions)				Change	
	2024 Dec. 31	2024 Sep. 30	2023 Dec. 31	2024 Sep. 30	2023 Dec. 31
<b>Revenues</b>					
Wealth Management					
Advisory fees	\$ 342.2	\$ 328.6	\$ 301.3	4.1%	13.6%
Product and program fees	265.7	253.5	224.0	4.8	18.6
	607.9	582.1	525.3	4.4	15.7
Redemption fees	–	–	–	–	–
Other financial planning revenues	42.4	36.4	26.4	16.5	60.6
Total Wealth Management	650.3	618.5	551.7	5.1	17.9
Net investment income and other	3.3	1.1	3.7	200.0	(10.8)
	653.6	619.6	555.4	5.5	17.7
<b>Expenses</b>					
Advisory and business development					
Asset-based compensation	178.2	169.5	145.6	5.1	22.4
Sales-based compensation	27.0	26.5	24.3	1.9	11.1
Other					
Other product commissions	23.0	19.7	18.7	16.8	23.0
Business development	45.9	42.8	43.8	7.2	4.8
	68.9	62.5	62.5	10.2	10.2
Total advisory and business development	274.1	258.5	232.4	6.0	17.9
Operations and support	118.2	115.1	115.7	2.7	2.2
Sub-advisory	50.5	49.1	43.0	2.9	17.4
	442.8	422.7	391.1	4.8	13.2
Adjusted earnings before interest and taxes <sup>(1)</sup>	210.8	196.9	164.3	7.1	28.3
Interest expense	26.0	25.8	26.0	0.8	–
Adjusted earnings before income taxes <sup>(1)</sup>	184.8	171.1	138.3	8.0	33.6
Income taxes	49.5	45.6	36.6	8.6	35.2
<b>Adjusted net earnings<sup>(1)</sup></b>	<b>\$ 135.3</b>	<b>\$ 125.5</b>	<b>\$ 101.7</b>	<b>7.8%</b>	<b>33.0%</b>

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

The increase in advisory fees in the twelve months ending December 31, 2024 was primarily due to the increase in average AUA of 12.9% partially offset by a decrease in the advisory fee rate. The average advisory fee rate for the fourth quarter was 97.7 basis points of average AUA compared to 102.1 basis points in 2023. The average advisory fee rate for the twelve months ended December 31, 2024, was 98.8 basis points of average AUA, compared to 102.3 basis points in 2023. Fee rates are determined based on client AUA levels and the average rate will fluctuate based on changes in a client's AUA as well as product mix.

Product and program fees depend largely on the level and composition of mutual fund AUM. Product and program fees totalled \$265.7 million in the current quarter, up 18.6% from \$224.0 million a year ago

primarily due to the increase in average AUM of 18.3%, as shown in Table 10. Product and program fees were \$995.7 million for the twelve month period ended December 31, 2024 compared to \$890.5 million in 2023, an increase of 11.8% primarily due to an increase in average AUM of 11.5%. The average product and program fee rate for the three and twelve month periods ending December 31, 2024 was 85.5 and 85.6 basis points of AUM, respectively, compared to 85.5 and 85.7 basis points for the comparable periods in 2023.

Other financial planning revenues are primarily earned from:

- Mortgage banking operations
- Distribution of insurance products through I.G. Insurance Services Inc.

**Table 12: Operating Results – IG Wealth Management (continued)**

<i>Twelve months ended</i> (\$ millions)	2024 Dec.31	2023 Dec. 31	Change
<b>Revenues</b>			
Wealth Management			
Advisory fees	\$ 1,295.2	\$ 1,188.5	9.0 %
Product and program fees	995.7	890.5	11.8
	<b>2,290.9</b>	2,079.0	10.2
Redemption fees	–	1.0	(100.0)
Other financial planning revenues	154.7	126.2	22.6
Total Wealth Management	<b>2,445.6</b>	2,206.2	10.9
Net investment income and other	12.4	13.3	(6.8)
	<b>2,458.0</b>	2,219.5	10.7
<b>Expenses</b>			
Advisory and business development			
Asset-based compensation	665.6	584.4	13.9
Sales-based compensation	104.3	91.8	13.6
Other			
Other product commissions	82.1	66.7	23.1
Business development	181.9	179.8	1.2
	<b>264.0</b>	246.5	7.1
Total advisory and business development	<b>1,033.9</b>	922.7	12.1
Operations and support	462.1	437.5	5.6
Sub-advisory	191.4	172.4	11.0
	<b>1,687.4</b>	1,532.6	10.1
Adjusted earnings before interest and taxes <sup>(1)</sup>	770.6	686.9	12.2
Interest expense	103.3	98.2	5.2
Adjusted earnings before income taxes <sup>(1)</sup>	667.3	588.7	13.4
Income taxes	177.6	156.3	13.6
<b>Adjusted net earnings<sup>(1)</sup></b>	<b>\$ 489.7</b>	\$ 432.4	13.3 %

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

- Securities trading services provided through Investors Group Securities Inc.

Other financial planning revenues of \$42.4 million for the fourth quarter of 2024 increased by \$16.0 million from \$26.4 million in 2023. For the twelve month period, other financial planning revenues of \$154.7 million increased by \$28.5 million from \$126.2 million in 2023. The change for both the three and twelve month periods was due to higher earnings from the mortgage banking operations and higher revenues from the distribution of insurance products partially offset by lower revenues from the distribution of banking products. The higher earnings in the mortgage banking operations for the quarter was due to an increase in fair value adjustments and for the twelve months was due to higher interest income on mortgages held prior to securitization partially offset by the increase in negative fair value adjustments.

A summary of mortgage banking operations for the three and twelve month periods under review is presented in Table 13.

#### **Net Investment Income and Other**

Net investment income and other consists of unrealized gains or losses on investments in proprietary funds in the three and twelve months ended December 31, 2024, and investment income earned on our cash and cash equivalents and securities and other income not related to our core business. It also includes a charge from the Corporate and Other segment for the use of unallocated capital.

#### **Expenses**

IG Wealth Management incurs advisory and business development expenses that include compensation paid to our advisors. The majority of these costs vary

**Table 13: Mortgage Banking Operations – IG Wealth Management**

<b>Three months ended</b> (\$ millions)				Change	
	2024 Dec. 31	2024 Sep. 30	2023 Dec. 31	2024 Sep. 30	2023 Dec. 31
<b>Total mortgage banking income</b>					
Net interest income on securitized loans					
Interest income	\$ 49.7	\$ 47.3	\$ 41.7	5.1 %	19.2 %
Interest expense	47.0	44.0	39.6	6.8	18.7
Net interest income	2.7	3.3	2.1	(18.2)	28.6
Gains (losses) on sales <sup>(1)</sup>	0.7	–	(0.8)	N/M	N/M
Fair value adjustments	(0.9)	(4.1)	(9.2)	78.0	90.2
Other	4.5	6.3	4.6	(28.6)	(2.2)
	\$ 7.0	\$ 5.5	\$ (3.3)	27.3 %	N/M %
<b>Average mortgages serviced</b>					
Securitized	\$ 4,964	\$ 4,755	\$ 4,694	4.4 %	5.8 %
Other	1,820	1,981	2,122	(8.1)	(14.2)
	\$ 6,784	\$ 6,736	\$ 6,816	0.7 %	(0.5)%
<b>Mortgage sales to:<sup>(2)</sup></b>					
Securitized	\$ 434	\$ 524	\$ 379	(17.2)%	14.5 %
Other <sup>(1)</sup>	74	–	38	N/M	94.7
	\$ 508	\$ 524	\$ 417	(3.1)%	21.8 %
<b>Twelve months ended</b> (\$ millions)					
			2024 Dec. 31	2023 Dec. 31	Change
<b>Total mortgage banking income</b>					
Net interest income on securitized loans					
Interest income			\$ 184.1	\$ 155.2	18.6 %
Interest expense			172.3	142.8	20.7
Net interest income			11.8	12.4	(4.8)
Gains (losses) on sales <sup>(1)</sup>			1.2	(3.6)	N/M
Fair value adjustments			(10.4)	(8.0)	(30.0)
Other			23.4	14.6	60.3
			\$ 26.0	\$ 15.4	68.8 %
<b>Average mortgages serviced</b>					
Securitized			\$ 4,756	\$ 4,630	2.7 %
Other			2,005	2,160	(7.2)
			\$ 6,761	\$ 6,790	(0.4)%
<b>Mortgage sales to:<sup>(2)</sup></b>					
Securitized			\$ 1,612	\$ 1,327	21.5 %
Other <sup>(1)</sup>			121	228	(46.9)
			\$ 1,733	\$ 1,555	11.4 %

(1) Represents sales to institutional investors through private placements and to IG Mackenzie Mortgage and Short Term Income Fund, as well as gains (losses) realized on those sales.

(2) Represents principal amounts sold.

directly with asset or sales levels. Also included are other distribution and business development activities which do not vary directly with asset or sales levels, such as corporate channel, direct marketing and advertising, financial planning specialist support and other costs incurred to support our advisor networks. These

expenses tend to be discretionary or vary based upon the number of advisors or clients.

Asset-based compensation includes compensation paid to both the entrepreneurial advisor and the corporate channels. The entrepreneurial advisor channel compensation fluctuates primarily with the value of

AUA and product mix while the corporate channel fluctuates largely based on the number of clients within the channel. Asset-based compensation increased by \$32.6 million and \$81.2 million for the three and twelve month periods ended December 31, 2024 to \$178.2 million and \$665.6 million, respectively, compared to 2023. The increase for both the three and twelve month periods was primarily due to increases in AUA and other compensation changes.

IG Wealth Management sales-based compensation is based upon the level of net new assets contributed to client accounts at IG Wealth Management (subject to eligibility requirements). All sales-based compensation payments are capitalized and amortized as they reflect incremental costs to obtain a client contract. Sales-based compensation was \$27.0 million for the fourth quarter of 2024, an increase of \$2.7 million from \$24.3 million in 2023. For the twelve month period, sales-based compensation expense was \$104.3 million, an increase of \$12.5 million from \$91.8 million in 2023.

Other advisory and business development expenses were \$68.9 million in the fourth quarter of 2024, compared to \$62.5 million in 2023, an increase of \$6.4 million primarily due to higher compensation paid on the distribution of insurance products, the timing of certain projects and other expenses. Other advisory and business development expenses were \$264.0 million in the twelve months ended December 31, 2024, an increase of \$17.5 million from \$246.5 million in 2023 primarily due to higher compensation paid on the distribution of insurance products.

Operations and support includes costs that support our wealth management and other general and administrative functions such as product management, technology and operations, as well as other functional business units and corporate expenses. Operations and support expenses were \$118.2 million for the fourth quarter of 2024 compared to \$115.7 million in 2023, an increase of \$2.5 million. For the twelve month period, operations and support expenses were \$462.1 million in 2024 compared to \$437.5 million in 2023, an increase of \$24.6 million or 5.6%.

Sub-advisory expenses were \$50.5 million for the fourth quarter of 2024 compared to \$43.0 million in 2023, an increase of \$7.5 million or 17.4%. For the twelve month period, sub-advisory expenses were \$191.4 million in 2024 compared to \$172.4 million in 2023, an increase of \$19.0 million or 11.0%. The change in both periods was primarily due to changes in AUM.

### **Interest Expense**

Interest expense, which includes allocated interest expense on long-term debt and interest expense on leases, totalled \$26.0 million in the fourth quarter of 2024, consistent with 2023. For the twelve month period, interest expense totalled \$103.3 million compared to \$98.2 million in 2023. Long-term debt interest expense is calculated based on an allocation of IGM Financial's long-term debt to IG Wealth Management. The allocation of debt increased to \$1.95 billion during the second quarter of 2023, as a result of the issuance of long-term debt by IGM Financial. Previously, the allocation was \$1.7 billion.

### **Q4 2024 vs. Q3 2024**

#### **Fee Income**

Advisory fee income increased by \$13.6 million or 4.1% to \$342.2 million in the fourth quarter of 2024 compared to the third quarter of 2024. The increase in advisory fees in the fourth quarter was primarily due to the increase in average AUA of 4.8% for the quarter, as shown in Table 9. The average advisory fee rate for the fourth quarter was 97.7 basis points of average AUA, compared to 98.4 basis points in the third quarter. Fee rates are determined based on client AUA levels and the average rate will fluctuate based on changes in a client's AUA as well as product mix.

Product and program fees were \$265.7 million in the fourth quarter of 2024, an increase of \$12.2 million from \$253.5 million in the third quarter of 2024. The increase was primarily due to the increase in average AUM of 4.8%, as shown in Table 10. The average product and program fee rate was 85.5 basis points of AUM unchanged from the third quarter.

Other financial planning revenues of \$42.4 million in the fourth quarter of 2024 increased by \$6.0 million from \$36.4 million in the third quarter due to higher earnings from the mortgage banking operations and higher revenues from the distribution of insurance products.

#### **Expenses**

Advisory and business development expenses in the current quarter were \$274.1 million, an increase of \$15.6 million from \$258.5 million in the previous quarter. The increase is primarily due to increases in asset-based compensation as a result of higher AUA and seasonality of expenses.

Operations and support expenses were \$118.2 million for the fourth quarter of 2024 compared to \$115.1 million in the previous quarter.

**Table 14: Operating Results – Wealth Management Strategic Investments**

<b>Three months ended</b> (\$ millions)				Change	
	<b>2024</b> Dec. 31	2024 Sep. 30	2023 Dec. 31	2024 Sep. 30	2023 Dec. 31
<b>Revenues</b>					
Proportionate share of associates' earnings					
Rockefeller	\$ (2.5)	\$ (0.3)	\$ –	N/M %	N/M %
Other	0.1	0.1	(0.8)	–	N/M
	<b>(2.4)</b>	<b>(0.2)</b>	<b>(0.8)</b>	<b>N/M</b>	<b>(200.0)</b>
<b>Expenses</b>					
Operations and support	0.2	0.2	0.2	–	–
Adjusted earnings before income taxes <sup>(1)</sup>	<b>(2.6)</b>	<b>(0.4)</b>	<b>(1.0)</b>	<b>N/M</b>	<b>(160.0)</b>
Income taxes	<b>(0.2)</b>	<b>0.2</b>	<b>–</b>	<b>N/M</b>	<b>N/M</b>
<b>Adjusted net earnings<sup>(1)</sup></b>	<b>\$ (2.4)</b>	<b>\$ (0.6)</b>	<b>\$ (1.0)</b>	<b>N/M %</b>	<b>(140.0)%</b>
<b>Twelve months ended</b> (\$ millions)					
			<b>2024</b> Dec. 31	2023 Dec. 31	Change
<b>Revenues</b>					
Proportionate share of associates' earnings					
Rockefeller			\$ (10.0)	\$ (0.7)	N/M %
Other			(0.1)	(2.6)	96.2
			<b>(10.1)</b>	<b>(3.3)</b>	<b>(206.1)</b>
<b>Expenses</b>					
Operations and support			0.9	1.0	(10.0)
Adjusted earnings before income taxes <sup>(1)</sup>			<b>(11.0)</b>	<b>(4.3)</b>	<b>(155.8)</b>
Income taxes			<b>1.0</b>	<b>(0.2)</b>	<b>N/M</b>
<b>Adjusted net earnings<sup>(1)</sup></b>			<b>\$ (12.0)</b>	<b>\$ (4.1)</b>	<b>(192.7)%</b>

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

## Wealth Management Strategic Investments

Wealth Management strategic investment's adjusted net earnings are presented within Table 14. Adjusted net earnings for the fourth quarter of 2024 were (\$2.4) million, compared to (\$1.0) million in 2023 and (\$0.6) million in the prior quarter. Adjusted net earnings for the twelve months ended were (\$12.0) million, compared to (\$4.1) million in 2023.

The Company's share of Rockefeller's earnings of (\$10.0) million in the twelve month period ending December 31, 2024 exclude the Company's proportionate share of one-time debt refinancing costs of \$3.3 million related to the early repayment of one of Rockefeller's financing facilities, which has been reclassified to other items as detailed in Table 3.

# Asset Management

The Asset Management segment includes Mackenzie Investments and strategic investments in ChinaAMC and Northleaf.

Asset Management revenue reflects:

- **Net asset management fees – third party** includes fees received from our investment funds and fees from third parties for investment management services. Compensation paid to dealers offsets the fees earned.
- **Asset management fees – Wealth Management** includes fees received from the Wealth Management segment. Wealth Management is considered a client of the Asset Management segment and transfer pricing

is based on values for similar sized asset management mandates.

- **Proportionate share of associates' earnings** is the Company's proportionate share of earnings from the equity investments in ChinaAMC and Northleaf.

Assets managed by Mackenzie for IG Wealth Management are included in the Asset Management segment's AUM.

Debt and interest expense is allocated to each IGM Financial segment based on management's assessment of: i) capacity to service the debt, and ii) where the debt is being serviced. Income taxes are also reported in each segment.

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## Review of the Business

Mackenzie Investments is a diversified asset management solutions provider founded in 1967. We provide investment management and related services with a wide range of investment mandates through a boutique structure and multiple distribution channels. We are committed to delivering strong investment performance for our clients by drawing on more than 50 years of investment management experience.

Mackenzie earns asset management fees primarily from:

- Management fees earned from its investment funds, sub-advised accounts and institutional clients.
- Fees earned from its mutual funds for administrative services.
- Redemption fees on deferred sales charge and low load units.

The largest component of Mackenzie's revenues is management fees. The amount of management fees depends on the level and composition of AUM. Management fee rates vary depending on the investment objective and the account type of the underlying AUM. Equity based mandates have higher management fee rates than fixed income mandates and retail mutual fund accounts have higher management fee rates than exchange traded funds, sub-advised accounts and institutional accounts.

Founded in 1998 as one of the first fund management companies in China, ChinaAMC has developed and

maintained a position among the market leaders in China's asset management industry. ChinaAMC drives for growth through product innovation and offering multi-asset investment solutions and services to a diversified group of retail and institutional clients.

Northleaf is a global private equity, private credit and infrastructure fund manager headquartered in Toronto. Northleaf seeks to deliver high absolute risk-adjusted returns from access to value creation outside public markets.

## Mackenzie Investments

### Strategy

Mackenzie's mission is to create a more invested world, together.

Mackenzie's objective is to become Canada's preferred global asset management solutions provider and business partner.

Mackenzie's strategic mandates are: win Canadian retail; build meaningful strategic partnerships; and develop presence in underpenetrated channels with a targeted approach. We achieve our strategic mandates with the following focus areas:

- Continuously improving distribution with a segmented approach;
- Delivering competitive risk adjusted investment performance;
- Advancing brand leadership;



- Creating innovative and relevant products and solutions;
- Encouraging a sustainable future;
- Ensuring operational excellence and efficiency;
- Fostering a high performing, diverse and winning culture.

Our focus areas drive future business growth. We aim to achieve this by being committed to the success of our clients, attracting and fostering the best minds in the investment industry, maintaining a boutique investment approach, having an innovative and future oriented product focus, and being responsible in everything we do.

Our investment management capabilities are delivered through a boutique structure, with separate in-house teams having distinct focuses and diverse styles. Our research and portfolio management teams are located in Toronto, Montreal, Winnipeg, Vancouver, Boston, Dublin and Hong Kong. In addition, our ownership interest in Northleaf enhances our investment capabilities by offering global private equity, private credit and infrastructure investment solutions to our clients and our ownership interest in ChinaAMC offers our clients access to Chinese capital markets. We also supplement our investment capabilities with strategic partners (third party sub-advisors) in selected areas. The development of a broad range of investment capabilities and products is a key strength in supporting the evolving financial needs of investors.

Our business focuses on three key distribution channels: retail, strategic alliances and institutional.

Mackenzie primarily distributes its retail investment products through third-party financial advisors. Our sales teams work with many of the more than 30,000 independent financial advisors and their firms across Canada. Our innovative, comprehensive lineup of investment solutions covers all asset classes and parts of the globe. We offer a range of relevant products and investment solutions designed to help advisors meet the evolving needs of their clients. We regularly introduce new funds and we may merge or streamline our fund offerings to provide enhanced investment solutions.

In addition to our retail distribution team, Mackenzie also has specialty teams focused on strategic alliances and the institutional marketplace.

Within the strategic alliance channel, Mackenzie offers certain series of our mutual funds and provides sub-advisory services to third-party and related party investment programs offered by banks, insurance companies and other investment companies. Strategic alliances with related parties include providing

advisory services to IG Wealth Management and Lifeco subsidiaries (including IPC). Mackenzie partners with Wealthsimple to distribute ETFs through their product shelf. Mackenzie also serves as one of two exclusive investment solutions providers to PFSL Investment Canada Ltd. (Primerica) and launched a suite of 27 funds designed to address the specific needs of Primerica advisors and their clients. Within the strategic alliance channel, Mackenzie's primary distribution relationship is with the head office of the respective bank, insurance company or investment company.

In the institutional channel, Mackenzie provides investment management services to pension plans, foundations and other institutions. We attract new institutional business through our relationships with pension and management consultants.

Gross sales and redemption activity in strategic alliance and institutional accounts can be more pronounced than in the retail channel, given the relative size and the nature of the distribution relationships of these accounts. These accounts are also subject to ongoing reviews and rebalance activities which may result in a significant change in the level of AUM.

Mackenzie continues to be positioned to build and enhance our distribution relationships given our team of experienced investment professionals, strength of our distribution network, broad product shelf, competitively priced products and our focus on client experience and investment excellence.

## 2024 Developments

During the third quarter of 2024, Mackenzie expanded our partnership with CGI to transform our transaction processing functions and enhance how we serve our clients and advisors. As part of this expanded partnership, Mackenzie transitioned specific back-office services to CGI during the fourth quarter of 2024 to help accelerate our digital transformation and ability to deliver an industry-leading client experience.

## Investment Management

Mackenzie has \$213.3 billion in AUM at December 31, 2024, including \$83.4 billion of sub-advisory mandates to the Wealth Management segment.

We continue to deliver our investment offerings through a boutique structure, with separate in-house investment teams which each have a distinct focus and investment approach. Our investment team currently consists of 16 boutiques. This boutique approach

promotes diversification of styles and ideas and provides Mackenzie with a breadth of capabilities. Oversight is conducted through a common process intended to promote superior risk-adjusted returns over time. This oversight process focuses on i) identifying and encouraging each team's performance edge, ii) promoting best practices in portfolio construction, and iii) emphasizing risk management.

Mackenzie's 56% economic interest in Northleaf enhances its investment capabilities by offering global private equity, private credit and infrastructure investment solutions to our clients.

In addition to our own investment teams, Mackenzie supplements investment capabilities through the use of third party sub-advisors and strategic beta index providers in selected areas. These include Putnam Investments and ChinaAMC. With the launch of the suite of 27 Futurepath Funds for Primerica, the following third party sub-advisors were added: 1832 Asset Management, Addenda, Brandywine, Blackrock, and T. Rowe Price.

Long-term investment performance is a key measure of Mackenzie's ongoing success. At December 31, 2024, 43.3% of Mackenzie mutual fund assets were rated in the top two performance quartiles for the one year time frame, 56.1% for the three year time frame and 51.4% for the five year time frame. Mackenzie also monitors its fund performance relative to the ratings it receives on its mutual funds from the Morningstar<sup>†</sup> fund ranking service. At December 31, 2024, 87.5% of Mackenzie mutual fund assets measured by Morningstar<sup>†</sup> had a rating of three stars or better and 48.0% had a rating of four or five stars. This compared to the Morningstar<sup>†</sup> universe of 87.9% for three stars or better and 55.3% for four and five star funds at December 31, 2024.

## Products

Mackenzie continues to evolve its product shelf by providing enhanced investment solutions for financial advisors to offer their clients. During 2024, Mackenzie launched seven mutual funds and eight ETFs and completed various fund mergers.

### *Mutual Funds*

Mackenzie manages its product shelf through new fund launches and fund mergers to streamline fund offerings for advisors and investors. During the first three quarters of 2024, Mackenzie launched four mutual funds:

- Mackenzie World Low Volatility Fund
- Mackenzie Shariah Global Equity Fund

- Mackenzie Global Corporate Fixed Income Fund
- Mackenzie Emerging Markets Ex-China Equity Fund

During the fourth quarter of 2024, Mackenzie launched three mutual funds:

- Mackenzie U.S. Small Cap Fund providing investors with the opportunity to access U.S. small cap equities within their portfolios through the investment process of the Mackenzie Global Quantitative Equity Team
- Mackenzie Global Dividend Enhanced Yield Fund and Mackenzie Global Dividend Enhanced Yield Plus Fund aim to generate stable tax-efficient monthly income through a combination of dividends and option premiums.

### *Alternative Funds*

Mackenzie currently has eight alternative funds, including four products in collaboration with Northleaf Capital Partners (Northleaf) as part of its ongoing commitment to expand retail investor access to private market investment solutions.

### *Exchange Traded Funds*

The addition of Exchange Traded Funds (ETF) has complemented Mackenzie's broad and innovative fund line-up and reflects its investor-focused vision to provide advisors and investors with new solutions to drive investor outcomes and achieve their personal goals. These ETFs offer investors another investment option when building long-term diversified portfolios.

During 2024, Mackenzie launched eight new ETFs to further broaden our diverse offerings:

- Mackenzie World Low Volatility ETF
- Mackenzie Global Dividend ETF
- Mackenzie Canadian Low Volatility ETF
- Mackenzie US Low Volatility ETF
- Mackenzie Bluewater Next Gen Growth ETF
- Mackenzie Core Resources ETF
- Mackenzie International Equity ETF
- Mackenzie Global Equity ETF

Mackenzie's current line-up consists of 51 ETFs: 28 active and strategic beta ETFs and 23 traditional index ETFs. ETF AUM ended the quarter at \$15.5 billion, inclusive of \$8.2 billion in investments from IGM managed products. This ranks Mackenzie in eighth place in the Canadian ETF industry for AUM.

## Asset Management AUM

AUM is a key performance indicator for the Asset Management segment.

The changes in total AUM are summarized in Table 15 and the changes in investment fund AUM are summarized in Table 16. Assets managed for the Wealth Management segment are included in total AUM.

Asset Management AUM including strategic investments were \$366.1 billion at December 31, 2024, compared to \$305.1 billion at December 31, 2023. Strategic investments AUM is based on the Company's direct and indirect ownership interest in these companies.

At December 31, 2024, Mackenzie's total AUM were \$213.3 billion, an increase of 9.0% from \$195.7 billion last year. Mackenzie's total third party AUM were \$129.9 billion, an increase of 9.2% from \$118.9 billion last

**Table 15: Change in Total AUM – Asset Management**

Three months ended (\$ millions)	2024 Dec. 31	2024 Sep. 30	2023 Dec. 31	Change	
				2024 Sep. 30	2023 Dec. 31
<b>Mackenzie AUM excluding sub-advisory to Canada Life and the Wealth Management segment</b>					
Net sales (redemptions)					
Mutual funds	\$ (699)	\$ (569)	\$ (987)	(22.8)%	29.2 %
ETF net creations	322	273	161	17.9	100.0
Investment funds <sup>(1)(2)</sup>	(377)	(296)	(826)	(27.4)	54.4
Sub-advisory, institutional and other accounts	68	(306)	(186)	N/M	N/M
<b>Total net sales (redemptions)</b>	<b>(309)</b>	<b>(602)</b>	<b>(1,012)</b>	<b>48.7</b>	<b>69.5</b>
Investment returns	1,479	3,734	4,192	(60.4)	(64.7)
Net change in assets	1,170	3,132	3,180	(62.6)	(63.2)
Beginning assets	75,898	72,766	66,102	4.3	14.8
<b>Ending assets</b>	<b>\$ 77,068</b>	<b>\$ 75,898</b>	<b>\$ 69,282</b>	<b>1.5 %</b>	<b>11.2 %</b>
<b>Mackenzie consolidated AUM</b>					
Mutual funds	\$ 61,435	\$ 60,951	\$ 56,408	0.8 %	8.9 %
ETFs	7,258	6,868	5,507	5.7	31.8
Investment funds <sup>(1)(2)</sup>	68,693	67,819	61,915	1.3	10.9
Sub-advisory, institutional and other accounts	8,375	8,079	7,367	3.7	13.7
	77,068	75,898	69,282	1.5	11.2
Sub-advisory to Canada Life <sup>(3)</sup>	52,879	52,608	49,665	0.5	6.5
Third party AUM	129,947	128,506	118,947	1.1	9.2
Sub-advisory and AUM to Wealth Management <sup>(2)(3)</sup>	83,369	83,584	76,758	(0.3)	8.6
<b>Consolidated AUM</b>	<b>\$ 213,316</b>	<b>\$ 212,090</b>	<b>\$ 195,705</b>	<b>0.6 %</b>	<b>9.0 %</b>
<b>Strategic investments ending AUM</b>					
ChinaAMC	\$ 135,173	\$ 126,324	\$ 94,792	7.0 %	42.6 %
Northleaf	17,926	16,588	14,912	8.1	20.2
Intra-segment eliminations	(361)	(266)	(260)	(35.7)	(38.8)
	\$ 152,738	\$ 142,646	\$ 109,444	7.1 %	39.6 %
<b>Consolidated ending AUM including strategic investments</b>	<b>\$ 366,054</b>	<b>\$ 354,736</b>	<b>\$ 305,149</b>	<b>3.2 %</b>	<b>20.0 %</b>
<b>Mackenzie average total AUM<sup>(4)</sup></b>					
Third party AUM	\$ 129,964	\$ 125,705	\$ 114,128	3.4 %	13.9 %
Consolidated	213,890	207,496	189,302	3.1	13.0

(1) Investment fund AUM and net sales exclude investments into Mackenzie mutual funds and ETFs by IGM Financial's investment funds.

(2) Effective January 2023, Mackenzie investment fund products sold through IG Wealth Management are reclassified from Investment funds to Sub-advisory and AUM to Wealth Management.

(3) Effective November 30, 2023, Mackenzie's sub-advisory to discontinued operations, which had previously been reported in sub-advisory and AUM to Wealth Management, are now reported in sub-advisory to Canada Life.

(4) Based on daily average investment fund assets and month-end average sub-advisory, institutional and other assets.

**Table 15: Change in Total AUM – Asset Management (continued)**

<i>Twelve months ended</i> (\$ millions)	2024 Dec. 31	2023 Dec. 31	Change
<b>Mackenzie AUM excluding sub-advisory to Canada Life and the Wealth Management segment</b>			
Net sales (redemptions)			
Mutual funds	\$ (2,700)	\$ (2,314)	(16.7)%
ETF net creations	1,088	245	N/M
Investment funds <sup>(1)(2)</sup>	(1,612)	(2,069)	22.1
Sub-advisory, institutional and other accounts <sup>(3)(4)</sup>	(389)	192	N/M
<b>Total net sales (redemptions)</b>	<b>(2,001)</b>	<b>(1,877)</b>	<b>(6.6)</b>
Investment returns	9,787	5,084	92.5
Net change in assets	7,786	3,207	142.8
Beginning assets	69,282	66,075	4.9
<b>Ending assets</b>	<b>\$ 77,068</b>	<b>\$ 69,282</b>	<b>11.2 %</b>
<b>Mackenzie average total AUM<sup>(5)</sup></b>			
Third Party AUM	\$ 124,861	\$ 115,436	8.2 %
Consolidated	205,479	191,637	7.2

(1) Investment fund AUM and net sales exclude investments into Mackenzie mutual funds and ETFs by IGM Financial's investment funds.

(2) Effective January 2023, Mackenzie investment fund products sold through IG Wealth Management are reclassified from Investment funds to Sub-advisory and AUM to Wealth Management.

(3) In the first quarter of 2024, the IG Wealth Management pension plan redeemed \$177 million from IG Wealth Management mutual funds that was re-allocated into a separately managed account managed by Mackenzie.

(4) Sub-advisory, institutional and other accounts – During the twelve month period of 2023, Mackenzie onboarded an institutional mandate of \$490 million.

(5) Based on daily average investment fund assets and month-end average sub-advisory, institutional and other assets.

year. The change in Mackenzie's AUM is determined by investment returns and net contributions from our clients.

At December 31, 2024, ChinaAMC's AUM was RMB¥ 2,464.5 billion (\$486.2 billion) compared to RMB¥ 1,823.6 billion (\$341.0 billion) at December 31, 2023, an increase of 35.1% (CAD 42.6%). Mackenzie holds a 27.8% interest in ChinaAMC.

At December 31, 2024, Northleaf's AUM was \$32.0 billion compared to \$26.6 billion at December 31, 2023, an increase of 20.3%. Mackenzie holds a 56% economic interest in Northleaf.

## Mackenzie Investments AUM

### Change in AUM – 2024 vs. 2023

Mackenzie's total AUM at December 31, 2024 were \$213.3 billion, an increase of 9.0% from \$195.7 billion at December 31, 2023. Third party AUM were \$129.9 billion, an increase of 9.2% from \$118.9 billion at December 31, 2023.

Investment fund AUM were \$68.7 billion at December 31, 2024, compared to \$61.9 billion at December 31, 2023, an increase of 10.9%. Mackenzie's mutual fund AUM of \$61.4 billion increased by 8.9% from \$56.4 billion at December 31, 2023. Mackenzie's ETF assets excluding ETFs held within IGM Financial's managed products

were \$7.3 billion at December 31, 2024, an increase of 31.8% from \$5.5 billion at December 31, 2023. ETF assets inclusive of IGM Financial's managed products were \$15.5 billion at December 31, 2024 compared to \$12.9 billion at December 31, 2023.

In the three months ended December 31, 2024, Mackenzie's mutual fund gross sales were \$2.2 billion, an increase of 26.0% compared to \$1.7 billion in 2023. Mutual fund redemptions in the current quarter were \$2.9 billion, an increase of 6.0% from last year. Mutual fund net redemptions for the three months ended December 31, 2024 were \$699 million, compared to net redemptions of \$987 million last year. In the three months ended December 31, 2024, ETF net creations were \$322 million compared to \$161 million last year. Investment fund net redemptions in the current quarter were \$377 million compared to net redemptions of \$826 million last year. During the current quarter, investment returns resulted in investment fund assets increasing by \$1.3 billion compared to an increase of \$3.7 billion last year.

Total net redemptions excluding sub-advisory to Canada Life and to the Wealth Management segment for the three months ended December 31, 2024 were \$309 million compared to net redemptions of \$1.0 billion last year. During the current quarter, investment returns

**Table 16: Change in Investment Fund AUM – Mackenzie Investments<sup>(1)</sup>**

<b>Three months ended</b> (\$ millions)				Change		
	2024 Dec. 31	2024 Sep. 30	2023 Dec. 31	2024 Sep. 30	2023 Dec. 31	
Sales	\$ 2,188	\$ 1,812	\$ 1,736	20.8%	26.0%	
Redemptions	2,887	2,381	2,723	21.3	6.0	
Mutual fund net sales (redemptions)	(699)	(569)	(987)	(22.8)	29.2	
ETF net creations	322	273	161	17.9	100.0	
<b>Investment fund net sales (redemptions)<sup>(2)(3)</sup></b>	<b>(377)</b>	<b>(296)</b>	<b>(826)</b>	<b>(27.4)</b>	<b>54.4</b>	
Investment returns	1,251	3,360	3,741	(62.8)	(66.6)	
Net change in assets	874	3,064	2,915	(71.5)	(70.0)	
Beginning assets	67,819	64,755	59,000	4.7	14.9	
<b>Ending assets</b>	<b>\$ 68,693</b>	<b>\$ 67,819</b>	<b>\$ 61,915</b>	<b>1.3%</b>	<b>10.9%</b>	
<b>Consists of:</b>						
Mutual funds	\$ 61,435	\$ 60,951	\$ 56,408	0.8%	8.9%	
ETFs	7,258	6,868	5,507	5.7	31.8	
Investment funds <sup>(3)</sup>	\$ 68,693	\$ 67,819	\$ 61,915	1.3%	10.9%	
<b>Daily average investment fund assets</b>	<b>\$ 68,715</b>	<b>\$ 66,189</b>	<b>\$ 59,848</b>	<b>3.8%</b>	<b>14.8%</b>	
<b>Twelve months ended</b> (\$ millions)				2024 Dec. 31	2023 Dec. 31	Change
Sales			\$ 8,499	\$ 7,270	16.9%	
Redemptions			11,199	9,584	16.9	
Mutual fund net sales (redemptions)			(2,700)	(2,314)	(16.7)	
ETF net creations			1,088	245	N/M	
<b>Investment fund net sales (redemptions)<sup>(2)(3)</sup></b>			<b>(1,612)</b>	<b>(2,069)</b>	<b>22.1</b>	
Investment returns			8,390	4,331	93.7	
Net change in assets			6,778	2,262	199.6	
Beginning assets			61,915	59,653	3.8	
<b>Ending assets</b>			<b>\$ 68,693</b>	<b>\$ 61,915</b>	<b>10.9%</b>	
<b>Daily average investment fund assets</b>			<b>\$ 65,608</b>	<b>\$ 60,714</b>	<b>8.1%</b>	

(1) Investment fund AUM and net sales excludes investments into Mackenzie mutual funds and ETFs by IGM Financial's investment funds.

(2) Total investment fund net sales and AUM exclude Mackenzie mutual fund investments in ETFs.

(3) Effective January 2023, Mackenzie investment fund products sold through IG Wealth Management are reclassified from Investment funds to Sub-advisory and AUM to Wealth Management.

resulted in assets increasing by \$1.5 billion compared to an increase of \$4.2 billion last year.

In the twelve months ended December 31, 2024, Mackenzie's mutual fund gross sales were \$8.5 billion, an increase of 16.9% from \$7.3 billion in 2023. Mutual fund redemptions in the current period were \$11.2 billion, an increase of 16.9% from last year. Mutual fund net redemptions for the year ended December 31, 2024 were \$2.7 billion, compared to net redemptions of \$2.3 billion in 2023. In the year ended December 31, 2024, ETF net creations were \$1.1 billion compared to \$245 million last year. Investment fund net redemptions in the current period were \$1.6 billion, compared to net redemptions of \$2.1 billion last year. During the current period, investment returns resulted in investment fund

assets increasing by \$8.4 billion compared to an increase of \$4.3 billion last year.

Redemptions of long-term mutual funds in the three and twelve months ended December 31, 2024, were \$2.8 billion and \$10.9 billion, respectively, compared to \$2.7 billion and \$9.5 billion last year. Mackenzie's annualized quarterly redemption rate for long-term mutual funds was 18.4% in the fourth quarter of 2024, compared to 19.7% in the fourth quarter of 2023. Mackenzie's twelve month trailing redemption rate for long-term mutual funds was 18.7% at December 31, 2024, compared to 17.1% last year. The corresponding average twelve month trailing redemption rate for long-term mutual funds for all other members of IFIC was approximately 14.9% at December 31, 2024. Mackenzie's

twelve month trailing redemption rate is comprised of the weighted average redemption rate for front-end load assets, deferred sales charge and low load assets with redemption fees, and deferred sales charge assets without redemption fees (matured assets). Generally, redemption rates for front-end load assets and matured assets are higher than the redemption rates for deferred sales charge and low load assets with redemption fees.

Total net redemptions excluding sub-advisory to Canada Life and to the Wealth Management segment for the twelve months ended December 31, 2024 were \$2.0 billion compared to net redemptions of \$1.9 billion in 2023. During the twelve month period, investment returns resulted in assets increasing by \$9.8 billion compared to an increase of \$5.1 billion last year.

In January 2024, the IG Wealth Management pension plan redeemed \$177 million from IG Wealth Management mutual funds that was re-allocated into a separately managed account managed by Mackenzie. During the twelve months ended December 31, 2023, Mackenzie onboarded an institutional mandate of \$490 million. Excluding these two transactions, total net redemptions were \$2.2 billion in the twelve months ended December 31, 2024 compared to net redemptions of \$2.4 billion last year.

As at December 31, 2024, Mackenzie's sub-advisory to Canada Life were \$52.9 billion compared to \$49.7 billion at December 31, 2023.

As at December 31, 2024, Mackenzie's sub-advisory and AUM to the Wealth Management segment were \$83.4 billion or 67.7% of Wealth Management AUM excluding strategic investments compared to \$76.8 billion or 71.3% of Wealth Management AUM excluding strategic investments at December 31, 2023.

#### **Change in AUM – Q4 2024 vs. Q3 2024**

Mackenzie's total AUM at December 31, 2024 were \$213.3 billion, an increase of 0.6% from \$212.1 billion at September 30, 2024. Third party AUM were \$129.9 billion, an increase of 1.1% from \$128.5 billion at September 30, 2024.

Investment fund AUM were \$68.7 billion at December 31, 2024, an increase of 1.3% from \$67.8 billion at September 30, 2024. Mackenzie's mutual fund AUM were \$61.4 billion at December 31, 2024, an increase of 0.8% from \$61.0 billion at September 30, 2024. Mackenzie's ETF assets were \$7.3 billion at December 31, 2024 compared to \$6.9 billion at September 30, 2024. ETF assets inclusive of IGM Financial's managed products were \$15.5 billion at December 31, 2024 compared to \$14.9 billion at September 30, 2024.

For the quarter ended December 31, 2024, Mackenzie mutual fund gross sales were \$2.2 billion, an increase of 20.8% from the third quarter of 2024. Mutual fund redemptions were \$2.9 billion, an increase of 21.3% from the third quarter of 2024. Net redemptions of Mackenzie mutual funds for the current quarter were \$699 million compared to net redemptions of \$569 million in the previous quarter.

Redemptions of long-term mutual fund assets in the current quarter were \$2.8 billion, compared to \$2.3 billion in the third quarter. Mackenzie's annualized quarterly redemption rate for long-term mutual funds for the current quarter was 18.4% compared to 15.5% in the third quarter.

For the quarter ended December 31, 2024, Mackenzie ETF net creations were \$322 million compared to \$273 million in the third quarter.

Investment fund net redemptions in the current quarter were \$377 million compared to net redemptions of \$296 million in the third quarter.

As at December 31, 2024, Mackenzie's sub-advisory to Canada Life were \$52.9 billion compared to \$52.6 billion at September 30, 2024.

As at December 31, 2024, Mackenzie's sub-advisory and AUM to the Wealth Management segment were \$83.4 billion or 67.7% of Wealth Management AUM excluding strategic investments compared to \$83.6 billion or 69.2% of Wealth Management AUM excluding strategic investments at September 30, 2024.

## Review of Segment Operating Results

The Asset Management segment's adjusted net earnings are presented in Table 17 and include the operations of Mackenzie Investments and earnings related to strategic investments.

### Mackenzie Investments

Mackenzie Investments' adjusted net earnings are presented in Table 18. Adjusted net earnings for the fourth quarter of 2024 were \$61.9 million, an increase of 25.3% from the fourth quarter in 2023 and an increase of 4.2% from the prior quarter. Adjusted net earnings for the year ended December 31, 2024 were \$234.5 million, an increase of 14.7% from 2023.

Adjusted earnings before interest and taxes for the fourth quarter of 2024 were \$90.4 million, an increase of 22.5% from the fourth quarter in 2023 and an increase of

3.4% from the prior quarter. Adjusted earnings before interest and taxes for the year ended December 31, 2024 were \$344.2 million, an increase of 13.4% from 2023.

### 2024 vs. 2023

#### Revenues

Asset management fees are classified as either Asset management fees – third party or Asset management fees – Wealth Management.

- Net asset management fees – third party is comprised of the following:
  - Asset management fees – third party consists of management and administration fees earned from our investment funds and management fees from our third party sub-advisory, institutional and other accounts. The largest component is management

**Table 17: Operating Results – Asset Management**

Three months ended (\$ millions)	2024		2023		Change	
	Dec. 31	Sep. 30	Dec. 31	Sep. 30	2024 Sep. 30	2023 Dec. 31
<b>Revenues</b>						
Asset management						
Asset management fees – third party	\$ 256.6	\$ 248.9	\$ 230.9		3.1 %	11.1 %
Redemption fees	0.4	0.5	0.6		(20.0)	(33.3)
	<b>257.0</b>	249.4	231.5		3.0	11.0
Dealer compensation expenses						
Asset-based compensation	(84.0)	(81.8)	(76.0)		2.7	10.5
Net asset management fees – third party	<b>173.0</b>	167.6	155.5		3.2	11.3
Asset management fees – Wealth Management	<b>31.3</b>	31.1	28.0		0.6	11.8
Net asset management	<b>204.3</b>	198.7	183.5		2.8	11.3
Net investment income and other	<b>8.5</b>	5.0	4.0		70.0	112.5
Proportionate share of associates' earnings	<b>29.2</b>	36.3	32.3		(19.6)	(9.6)
	<b>242.0</b>	240.0	219.8		0.8	10.1
<b>Expenses</b>						
Advisory and business development	<b>24.2</b>	19.8	20.8		22.2	16.3
Operations and support	<b>97.1</b>	95.7	92.7		1.5	4.7
Sub-advisory	<b>1.6</b>	1.4	1.2		14.3	33.3
	<b>122.9</b>	116.9	114.7		5.1	7.1
Adjusted earnings before interest and taxes <sup>(1)</sup>	<b>119.1</b>	123.1	105.1		(3.2)	13.3
Interest expense	<b>6.5</b>	6.6	6.5		(1.5)	–
Adjusted earnings before income taxes <sup>(1)</sup>	<b>112.6</b>	116.5	98.6		(3.3)	14.2
Income taxes	<b>24.4</b>	24.5	20.1		(0.4)	21.4
Adjusted net earnings	<b>88.2</b>	92.0	78.5		(4.1)	12.4
Non-controlling interest	<b>0.7</b>	0.7	1.7		–	(58.8)
<b>Adjusted net earnings available to common shareholders<sup>(1)</sup></b>	<b>\$ 87.5</b>	\$ 91.3	\$ 76.8		(4.2)%	13.9 %

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

**Table 17: Operating Results – Asset Management (continued)**

<i>Twelve months ended</i> (\$ millions)	2024 Dec. 31	2023 Dec. 31	Change
<b>Revenues</b>			
Asset management			
Asset management fees – third party	\$ 985.2	\$ 934.6	5.4 %
Redemption fees	2.4	3.0	(20.0)
	<b>987.6</b>	937.6	5.3
Dealer compensation expenses			
Asset-based compensation	(325.3)	(311.4)	4.5
Net asset management fees – third party	<b>662.3</b>	626.2	5.8
Asset management fees – Wealth Management	<b>120.6</b>	113.6	6.2
Net asset management	<b>782.9</b>	739.8	5.8
Net investment income and other	<b>23.2</b>	12.0	93.3
Proportionate share of associates' earnings	<b>133.1</b>	121.4	9.6
	<b>939.2</b>	873.2	7.6
<b>Expenses</b>			
Advisory and business development	<b>86.8</b>	83.5	4.0
Operations and support	<b>372.1</b>	362.7	2.6
Sub-advisory	<b>5.7</b>	4.6	23.9
	<b>464.6</b>	450.8	3.1
Adjusted earnings before interest and taxes <sup>(1)</sup>	<b>474.6</b>	422.4	12.4
Interest expense	<b>26.1</b>	25.0	4.4
Adjusted earnings before income taxes <sup>(1)</sup>	<b>448.5</b>	397.4	12.9
Income taxes	<b>94.2</b>	83.8	12.4
Adjusted net earnings <sup>(1)</sup>	<b>354.3</b>	313.6	13.0
Non-controlling interest	<b>3.9</b>	3.4	14.7
<b>Adjusted net earnings available to common shareholders<sup>(1)</sup></b>	<b>\$ 350.4</b>	\$ 310.2	13.0 %

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

fees from our investment funds. The amount of management fees depends on the level and composition of AUM. Management fee rates vary depending on the investment objective and the account type of the underlying AUM. For example, equity-based mandates have higher management fee rates than exchange traded funds, fixed income mandates and retail mutual fund accounts have higher management fee rates than sub-advised and institutional accounts. The majority of Mackenzie's mutual fund assets are retail and sold through third party financial advisors.

- Redemption fees – consists of fees earned from the redemptions of mutual fund assets sold on a deferred sales charge purchase option and on a low load purchase option. Redemption fees charged for deferred sales charge assets range from 5.5% in the first year and decrease to zero after seven years. Redemption fees for low load assets range from 2.0%

to 3.0% in the first year and decrease to zero after two or three years, depending on the purchase option.

- Dealer compensation expenses – consists of asset-based and sales-based compensation. Asset-based compensation represents trailing commissions paid to dealers on certain classes of retail mutual funds and are calculated as a percentage of mutual fund AUM. These fees vary depending on the fund type and the purchase option upon which the fund was sold: front-end, deferred sales charge or low load. Sales-based compensation are paid to dealers on the sale of mutual funds under the deferred sales charge purchase option and on a low load purchase option. Mackenzie stopped selling deferred sales charge purchase options and low load purchase options as of June 1, 2022, in accordance with regulatory changes.
- Asset management fees – Wealth Management consists of sub-advisory fees earned from the Wealth Management segment.



**Table 18: Operating Results – Mackenzie Investments**

Three months ended (\$ millions)	2024		2023		Change	
	Dec. 31	Sep. 30	Dec. 31	Sep. 30	2024 Sep. 30	2023 Dec. 31
<b>Revenues</b>						
Asset management						
Asset management fees – third party	\$ 256.6	\$ 248.9	\$ 230.9		3.1%	11.1%
Redemption fees	0.4	0.5	0.6		(20.0)	(33.3)
	<b>257.0</b>	249.4	231.5		3.0	11.0
Dealer compensation expenses						
Asset-based compensation	(84.0)	(81.8)	(76.0)		2.7	10.5
Net asset management fees – third party	<b>173.0</b>	167.6	155.5		3.2	11.3
Asset management fees – Wealth Management	<b>31.3</b>	31.1	28.0		0.6	11.8
Net asset management	<b>204.3</b>	198.7	183.5		2.8	11.3
Net investment income and other	<b>8.5</b>	5.0	4.0		70.0	112.5
	<b>212.8</b>	203.7	187.5		4.5	13.5
<b>Expenses</b>						
Advisory and business development	<b>24.2</b>	19.8	20.8		22.2	16.3
Operations and support	<b>96.6</b>	95.1	91.7		1.6	5.3
Sub-advisory	<b>1.6</b>	1.4	1.2		14.3	33.3
	<b>122.4</b>	116.3	113.7		5.2	7.7
Adjusted earnings before interest and taxes <sup>(1)</sup>	<b>90.4</b>	87.4	73.8		3.4	22.5
Interest expense	<b>6.5</b>	6.6	6.5		(1.5)	–
Adjusted earnings before income taxes <sup>(1)</sup>	<b>83.9</b>	80.8	67.3		3.8	24.7
Income taxes	<b>22.0</b>	21.4	17.9		2.8	22.9
<b>Adjusted net earnings<sup>(1)</sup></b>	<b>\$ 61.9</b>	\$ 59.4	\$ 49.4		4.2%	25.3%

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

Net asset management fees – third party were \$173.0 million for the three months ended December 31, 2024, an increase of \$17.5 million or 11.3% from \$155.5 million last year. The increase in net asset management fees – third party was primarily due to a 13.9% increase in average AUM, as shown in Table 15, partially offset by a decrease in the net asset management fee rate. Mackenzie's net asset management fee rate was 52.8 basis points for the three months ended December 31, 2024, compared to 54.2 basis points in the comparative period in 2023.

Net asset management fees – third party were \$662.3 million for the twelve months ended December 31, 2024, an increase of \$36.1 million or 5.8% from \$626.2 million last year. The increase in net asset management fees – third party was primarily due to an 8.2% increase in average AUM, as shown in Table 15, offset by a decrease in the net management fee rate. Mackenzie's net asset management fee rate was 52.9 basis points for the twelve months ended

December 31, 2024, compared to 54.4 basis points in the comparative period in 2023.

Asset management fees – Wealth Management were \$31.3 million for the three months ended December 31, 2024, an increase of \$3.3 million or 11.8% from \$28.0 million last year. The increase in management fees was due to an 11.6% increase in average AUM. Mackenzie's management fee rate was 14.8 basis points for the three months ended December 31, 2024, unchanged from the comparative period in 2023.

Asset management fees – Wealth Management were \$120.6 million for the twelve months ended December 31, 2024, an increase of \$7.0 million or 6.2% from \$113.6 million last year. The increase in management fees was due to a 5.8% increase in average AUM. Mackenzie's management fee rate was 14.9 basis points for the twelve months ended December 31, 2024, unchanged from the comparative period in 2023.

Net investment income and other primarily includes investment returns related to Mackenzie's investments

**Table 18: Operating Results – Mackenzie Investments (continued)**

<i>Twelve months ended</i> (\$ millions)	2024 Dec. 31	2023 Dec. 31	Change
<b>Revenues</b>			
Asset management			
Asset management fees – third party	\$ 985.2	\$ 934.6	5.4 %
Redemption fees	2.4	3.0	(20.0)
	<b>987.6</b>	937.6	5.3
Dealer compensation expenses			
Asset-based compensation	(325.3)	(311.4)	4.5
Net asset management fees – third party	<b>662.3</b>	626.2	5.8
Asset management fees – Wealth Management	<b>120.6</b>	113.6	6.2
Net asset management	<b>782.9</b>	739.8	5.8
Net investment income and other	<b>24.0</b>	12.0	100.0
	<b>806.9</b>	751.8	7.3
<b>Expenses</b>			
Advisory and business development	<b>86.8</b>	83.5	4.0
Operations and support	<b>370.2</b>	360.3	2.7
Sub-advisory	<b>5.7</b>	4.6	23.9
	<b>462.7</b>	448.4	3.2
Adjusted earnings before interest and taxes <sup>(1)</sup>	<b>344.2</b>	303.4	13.4
Interest expense	<b>26.1</b>	25.0	4.4
Adjusted earnings before income taxes <sup>(1)</sup>	<b>318.1</b>	278.4	14.3
Income taxes	<b>83.6</b>	74.0	13.0
<b>Adjusted net earnings<sup>(1)</sup></b>	<b>\$ 234.5</b>	\$ 204.4	14.7 %

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

in proprietary funds. These investments are generally made in the process of launching a fund and are sold as third party investors subscribe. Net investment income and other was \$8.5 million for the three months ended December 31, 2024 compared to \$4.0 million last year, and was \$24.0 million for the twelve months ended December 31, 2024 compared to \$12.0 million last year.

#### **Expenses**

Mackenzie incurs advisory and business development expenses that primarily include wholesale distribution activities and these costs vary directly with assets or sales levels. Advisory and business development expenses were \$24.2 million for the three months ended December 31, 2024, an increase of \$3.4 million or 16.3% from \$20.8 million in 2023. Expenses for the twelve months ended December 31, 2024 were \$86.8 million, an increase of \$3.3 million or 4.0% from \$83.5 million last year. The increase in the three and twelve month periods was attributed to higher wholesaler commissions consistent with the increase in investment fund net sales.

Operations and support includes costs 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, technology and other service provider expenses. Operations and support expenses were \$96.6 million for the three months ended December 31, 2024, an increase of \$4.9 million or 5.3% from \$91.7 million in 2023. Expenses for the twelve months ended December 31, 2024 were \$370.2 million, an increase of \$9.9 million or 2.7% from \$360.3 million last year.

Sub-advisory expenses were \$1.6 million for the three months ended December 31, 2024, compared to \$1.2 million in 2023. Expenses for the twelve months ended December 31, 2024 were \$5.7 million, compared to \$4.6 million last year.

#### **Interest Expense**

Interest expense, which includes allocated interest expense on long-term debt and interest expense on

leases, totalled \$6.5 million in the fourth quarter of 2024, consistent with the comparative period in 2023. Interest expense for the twelve month period was \$26.1 million compared to \$25.0 million in 2023. Long-term debt interest expense is calculated based on an allocation of IGM Financial's long-term debt to Mackenzie. The allocation of debt increased to \$450 million during the second quarter of 2023, as a result of the issuance of long-term debt by IGM Financial. Previously, the allocation was \$400 million.

#### **Q4 2024 vs. Q3 2024**

##### **Revenues**

Net asset management fees – third party were \$173.0 million for the current quarter, an increase of \$5.4 million or 3.2% from \$167.6 million in the third quarter of 2024. Factors contributing to the net increase were:

- Average AUM were \$130.0 billion in the current quarter, an increase of 3.4% from the prior quarter.
- Net asset management fee rate was 52.8 basis points for the current quarter compared to 52.9 basis points in the third quarter.

Asset management fees – Wealth Management were \$31.3 million, an increase of \$0.2 million or 0.6% from \$31.1 million in the third quarter. Factors contributing to the net increase were:

- Average AUM were \$83.9 billion in the current quarter, an increase of 2.6% from the prior quarter.
- Asset management fee rate was 14.8 basis points for the current quarter compared to 15.1 basis points in the third quarter.

Net investment income and other was \$8.5 million for the current quarter, compared to \$5.0 million in the third quarter.

##### **Expenses**

Advisory and business development expenses were \$24.2 million for the current quarter, compared to \$19.8 million in the third quarter.

Operations and support expenses were \$96.6 million for the current quarter, an increase of \$1.5 million or 1.6% from \$95.1 million in the third quarter.

Sub-advisory expenses were \$1.6 million for the current quarter, compared to \$1.4 million in the third quarter.

#### **Asset Management Strategic Investments**

Asset Management strategic investment's adjusted net earnings are presented within Table 19. Adjusted net earnings for the fourth quarter of 2024 were \$25.6 million, compared to \$27.4 million in 2023 and \$31.9 million in the prior quarter. Adjusted net earnings for the twelve months ended were \$115.9 million, compared to \$105.8 million in 2023.

The proportionate share of associates' earnings consists of equity earnings from ChinaAMC and Northleaf.

The Company's share of ChinaAMC's earnings were \$25.4 million in the fourth quarter of 2024 compared to \$23.7 million in the comparable period in 2023, and were \$113.5 million in the twelve month period of 2024, compared to \$104.1 million in 2023.

The Company's share of Northleaf's earnings were \$3.8 million in the fourth quarter of 2024 compared to \$8.6 million in the comparable period in 2023, and were \$19.6 million in the twelve month period of 2024, compared to \$17.3 million in 2023. This is offset by non-controlling interest as reflected in the table.

**Table 19: Operating Results – Asset Management Strategic Investments**

<b>Three months ended</b> (\$ millions)				Change	
	<b>2024</b> Dec. 31	2024 Sep. 30	2023 Dec. 31	2024 Sep. 30	2023 Dec. 31
<b>Revenues</b>					
Net investment income and other	\$ –	\$ –	\$ –	– %	– %
Proportionate share of associates' earnings					
ChinaAMC	<b>25.4</b>	32.9	23.7	(22.8)	7.2
Northleaf	<b>3.8</b>	3.4	8.6	11.8	(55.8)
	<b>29.2</b>	36.3	32.3	(19.6)	(9.6)
	<b>29.2</b>	36.3	32.3	(19.6)	(9.6)
<b>Expenses</b>					
Operations and support	<b>0.5</b>	0.6	1.0	(16.7)	(50.0)
Adjusted earnings before income taxes <sup>(1)</sup>	<b>28.7</b>	35.7	31.3	(19.6)	(8.3)
Income taxes	<b>2.4</b>	3.1	2.2	(22.6)	9.1
Adjusted net earnings <sup>(1)</sup>	<b>26.3</b>	32.6	29.1	(19.3)	(9.6)
Non-controlling interest	<b>0.7</b>	0.7	1.7	–	(58.8)
<b>Adjusted net earnings available to common shareholders<sup>(1)</sup></b>	<b>\$ 25.6</b>	\$ 31.9	\$ 27.4	(19.7)%	(6.6)%
<b>Twelve months ended</b> (\$ millions)					
			<b>2024</b> Dec. 31	2023 Dec. 31	Change
<b>Revenues</b>					
Net investment income and other			\$ (0.8)	\$ –	N/M %
Proportionate share of associates' earnings					
ChinaAMC			<b>113.5</b>	104.1	9.0
Northleaf			<b>19.6</b>	17.3	13.3
			<b>133.1</b>	121.4	9.6
			<b>132.3</b>	121.4	9.0
<b>Expenses</b>					
Operations and support			<b>1.9</b>	2.4	(20.8)
Adjusted earnings before income taxes <sup>(1)</sup>			<b>130.4</b>	119.0	9.6
Income taxes			<b>10.6</b>	9.8	8.2
Adjusted net earnings <sup>(1)</sup>			<b>119.8</b>	109.2	9.7
Non-controlling interest			<b>3.9</b>	3.4	14.7
<b>Adjusted net earnings available to common shareholders<sup>(1)</sup></b>			<b>\$ 115.9</b>	\$ 105.8	9.5 %

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

# Corporate and Other

## Review of Segment Operating Results

The Corporate and Other segment includes the Company's investments in Lifeco and Portage Ventures LPs (Portage), and unallocated capital.

Adjusted earnings from the Corporate and Other segment include the Company's proportionate share of Lifeco's base earnings, an alternate measure Lifeco uses to understand the underlying business performance compared to IFRS net earnings. Lifeco's financial information can be obtained in its disclosure materials filed on [www.sedarplus.ca](http://www.sedarplus.ca). Comparative periods have been restated to reflect this change. Net investment income on unallocated capital and consolidation elimination entries are also included in this segment.

At December 31, 2024, the Company held a 2.4% equity interest in Lifeco. IGM Financial and Lifeco are controlled by Power.

Portage consists of early-stage investment funds dedicated to backing innovating financial services companies and are controlled by Power.

In addition to Lifeco and other investments held by the Company, the Corporate and Other segment includes unallocated capital which totalled \$531.3 million at December 31, 2024 compared to \$282.3 million at December 31, 2023, as detailed in Table 20.

Unallocated capital represents capital not allocated to any of the operating companies and which would be available for investment, debt repayment, distribution to shareholders or other corporate purposes. This capital is invested in highly liquid, high quality financial

instruments in accordance with the Company's Investment Policy.

Corporate and Other segment adjusted net earnings are presented in Table 21.

### 2024 vs. 2023

The proportionate share of Lifeco's base earnings was \$26.3 million, an increase of \$1.2 million in the fourth quarter of 2024 compared to the fourth quarter of 2023, and were \$100.0 million for the twelve month period of 2024, compared to \$89.3 million in 2023. The proportionate share of Lifeco's net earnings was \$26.3 million, an increase of \$7.2 million in the fourth quarter of 2024 compared to the fourth quarter of 2023, and were \$93.1 million for the twelve month period of 2024, an increase of \$26.2 million compared to last year. These earnings reflect the proportionate share of equity earnings from Lifeco, as discussed in the Consolidated Financial Position section of this MD&A. In the fourth quarter of 2023 and in 2024, the Company recorded its proportionate share of Lifeco earnings based on actual earnings. In the first three quarters of 2023, the Company recorded its proportionate share of Lifeco earnings using consensus analysts' earnings estimates, as Lifeco had reported quarterly earnings after the Company.

Net investment income and other was \$5.5 million in the fourth quarter of 2024, an increase of \$2.6 million from \$2.9 million in 2023. For the twelve month period, net investment income and other was \$17.4 million, an increase of \$5.1 million from \$12.3 million in 2023.

**Table 20: Total Assets – Corporate and Other**

<i>(\$ millions)</i>	<b>2024 Dec. 31</b>	2023 Dec. 31
<b>Investments in associate</b>		
Lifeco	\$ 633.5	\$ 589.3
<b>FVTOCI investments</b>		
Portage and other investments	151.6	114.7
<b>Unallocated capital</b>	<b>531.3</b>	282.3
<b>Total assets</b>	<b>\$ 1,316.4</b>	<b>\$ 986.3</b>
<i>Lifeco fair value</i>	<b>\$ 1,053.9</b>	<b>\$ 970.9</b>

**Table 21: Operating Results – Corporate and Other**

<b>Three months ended</b> (\$ millions)	2024		2023		Change
	Dec. 31	Sep. 30	Dec. 31	Sep. 30	Dec. 31
<b>Revenues</b>					
Wealth Management	\$ (2.8)	\$ (2.5)	\$ (1.7)	(12.0)%	(64.7)%
Asset management	(26.7)	(27.1)	(25.2)	1.5	(6.0)
Dealer compensation expense	(1.2)	(1.0)	(0.7)	20.0	71.4
Net asset management	(27.9)	(28.1)	(25.9)	0.7	(7.7)
Net investment income and other	5.5	4.0	2.9	37.5	89.7
Proportionate share of Lifeco's base earnings	26.3	25.3	25.1	4.0	4.8
	1.1	(1.3)	0.4	N/M	175.0
<b>Expenses</b>					
Operations and support	1.0	0.4	0.2	150.0	N/M
Sub-advisory	(30.9)	(30.5)	(27.5)	(1.3)	(12.4)
	(29.9)	(30.1)	(27.3)	0.7	(9.5)
Adjusted earnings before income taxes <sup>(1)</sup>	31.0	28.8	27.7	7.6	11.9
Income taxes	1.4	0.9	(0.7)	55.6	N/M
Adjusted net earnings – continuing operations <sup>(1)</sup>	29.6	27.9	28.4	6.1	4.2
Net earnings – discontinued operations	–	–	(4.5)	–	100.0
<b>Adjusted net earnings<sup>(1)</sup></b>	<b>\$ 29.6</b>	<b>\$ 27.9</b>	<b>\$ 23.9</b>	<b>6.1 %</b>	<b>23.8 %</b>
<b>Twelve months ended</b> (\$ millions)					
	2024		2023		Change
	Dec. 31		Dec. 31		
<b>Revenues</b>					
Wealth Management	\$ (9.5)		\$ (6.5)		(46.2)%
Asset management	(105.5)		(102.2)		(3.2)
Dealer compensation expense	(3.9)		(2.7)		44.4
Net asset management	(109.4)		(104.9)		(4.3)
Net investment income and other	17.4		12.3		41.5
Proportionate share of Lifeco's base earnings	100.0		89.3		12.0
	(1.5)		(9.8)		84.7
<b>Expenses</b>					
Operations and support	2.6		1.2		116.7
Sub-advisory	(119.0)		(111.3)		(6.9)
	(116.4)		(110.1)		(5.7)
Adjusted earnings before income taxes <sup>(1)</sup>	114.9		100.3		14.6
Income taxes	4.0		(2.0)		N/M
Adjusted net earnings – continuing operations <sup>(1)</sup>	110.9		102.3		8.4
Net earnings – discontinued operations	–		(12.5)		100.0
<b>Adjusted net earnings<sup>(1)</sup></b>	<b>\$ 110.9</b>		<b>\$ 89.8</b>		<b>23.5 %</b>

(1) A non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

#### Q4 2024 vs. Q3 2024

The proportionate share of Lifeco's base earnings was \$26.3 million in the fourth quarter of 2024, an increase of \$1.0 million from the third quarter of 2024.

The proportionate share of Lifeco's net earnings was \$26.3 million, an increase of \$5.9 million from the third quarter of 2024.

# IGM Financial Inc.

## Consolidated Financial Position

IGM Financial's total assets were \$20.7 billion at December 31, 2024, compared to \$18.7 billion at December 31, 2023.

### Other Investments

The composition of the Company's securities holdings is detailed in Table 22.

### Fair Value Through Other Comprehensive Income (FVTOCI)

Gains and losses on FVTOCI investments are recorded in Other comprehensive income.

#### Corporate Investments

Corporate investments is primarily comprised of the Company's investments in Wealthsimple and Portage and are recorded at FVTOCI.

The total fair value of Corporate investments was \$1,350.4 million at December 31, 2024 compared to \$721.4 million at December 31, 2023, and is presented net of certain costs incurred within the limited partnership structures holding the underlying investments.

#### *Wealthsimple Financial Corp.*

Wealthsimple is a financial company that provides simple digital tools for growing and managing your money. The Company's investment in Wealthsimple is primarily held through a limited partnership controlled by Power. The investment is classified at FVTOCI. IGM Financial Inc. holds directly and indirectly a 27.2% interest in Wealthsimple (December 31, 2023 – 28.7%).

At December 31, 2024, the fair value of the Company's investment in Wealthsimple was \$1,219 million (December 31, 2023 – \$607 million). The increase in fair value to December 31, 2024 is consistent with third party secondary transactions in the fourth quarter, increases in public peer valuations and Wealthsimple's business performance and revised revenue expectations. Fair value is determined by using observable transactions in the investments' securities where available, discounted cash flows, and other valuation metrics, including revenue multiples used in the valuation of comparable public companies.

Wealthsimple's total assets under administration were \$64.0 billion at December 31, 2024, representing an increase of 106.4% from \$31.0 billion at December 31, 2023.

### Fair Value Through Profit or Loss (FVTPL)

Securities classified as FVTPL include equity securities and proprietary investment funds. Gains and losses are recorded in Net investment income and other in the Consolidated Statements of Earnings.

Certain proprietary investment funds are consolidated where the Company has made the assessment that it controls the investment fund. The underlying securities of these funds are classified as FVTPL.

### Loans

The composition of the Company's loans is detailed in Table 23.

**Table 22: Other Investments**

(\$ millions)	December 31, 2024		December 31, 2023	
	Cost	Fair Value	Cost	Fair Value
<b>Fair value through other comprehensive income</b>				
Corporate investments	\$ 289.9	\$ 1,350.4	\$ 264.9	\$ 721.4
<b>Fair value through profit or loss</b>				
Equity securities	1.8	2.0	12.8	13.1
Proprietary investment funds	107.8	116.1	126.5	129.1
	109.6	118.1	139.3	142.2
	\$ 399.5	\$ 1,468.5	\$ 404.2	\$ 863.6

**Table 23: Loans**

(\$ millions)	2024 Dec. 31	2023 Dec. 31
Amortized cost	\$ 5,463.2	\$ 5,109.4
Allowance for expected credit losses	(0.8)	(0.7)
	<b>\$ 5,462.4</b>	<b>\$ 5,108.7</b>

Loans consisted of residential mortgages, which include HELOCs, and represented 26.4% of total assets at December 31, 2024, compared to 27.4% at December 31, 2023.

Loans measured at amortized cost are primarily comprised of residential mortgages sold to securitization programs sponsored by third parties that in turn issue securities to investors. An offsetting liability, Obligations to securitization entities, has been recorded and totalled \$5.0 billion at December 31, 2024, compared to \$4.7 billion at December 31, 2023.

The Company holds loans pending sale or securitization. Loans measured at FVTPL are residential mortgages held temporarily by the Company pending sale. Loans held for securitization are carried at amortized cost. Total loans being held pending sale or securitization are \$405.7 million at December 31, 2024, compared to \$375.5 million at December 31, 2023.

Residential mortgages originated by IG Wealth Management are funded primarily through sales to third parties on a fully serviced basis, including Canada Mortgage and Housing Corporation (CMHC) or Canadian bank sponsored securitization programs. At December 31, 2024, IG Wealth Management serviced \$6.7 billion of residential mortgages.

## Securitization Arrangements

Through the Company's mortgage banking operations, residential mortgages are sold to securitization trusts sponsored by third parties that in turn issue securities to investors. The Company securitizes residential mortgages through the CMHC sponsored National Housing Act Mortgage-Backed Securities (NHA MBS) and the Canada Mortgage Bond (CMB) Program and through Canadian bank-sponsored asset-backed commercial paper (ABCP) programs. The Company retains servicing responsibilities and certain elements of credit risk and prepayment risk associated with the transferred assets. The Company's credit risk on its securitized mortgages is partially mitigated through the use of insurance. Derecognition of financial assets in accordance with

IFRS is based on the transfer of risks and rewards of ownership. As the Company has retained prepayment risk and certain elements of credit risk associated with the Company's securitization transactions through the CMB and ABCP programs, they are accounted for as secured borrowings. The Company records the transactions under these programs as follows: i) the mortgages and related obligations are carried at amortized cost, with interest income and interest expense, utilizing the effective interest rate method, recorded over the term of the mortgages, ii) the component of swaps 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, are recorded at fair value, and iii) cash reserves held under the ABCP program are carried at amortized cost.

In the fourth quarter of 2024, the Company securitized loans through its mortgage banking operations with cash proceeds of \$423.9 million compared to \$327.7 million in 2023. Additional information related to the Company's securitization activities, including the Company's hedges of related reinvestment and interest rate risk, can be found in the Financial Risk section of this MD&A and in Note 8 to the Consolidated Financial Statements.

## Investment in Associates

### Great-West Lifeco Inc.

At December 31, 2024, the Company held a 2.4% equity interest in Lifeco. IGM Financial and Lifeco are controlled by Power.

The equity method is used to account for IGM Financial's investment in Lifeco, as it exercises significant influence. Changes in the carrying value for the three and twelve months ended December 31, 2024 compared to 2023 are shown in Table 24.

On January 12, 2023, to partially fund the acquisition of an additional 13.9% interest in ChinaAMC, the Company sold 15,200,662 common shares of Lifeco to Power for cash consideration of \$553 million, which reduced the Company's equity interest in Lifeco from 4.0% to 2.4%.



**Table 24: Investment in Associates**

(\$ millions)	December 31, 2024						December 31, 2023					
	Lifeco	ChinaAMC	Rockefeller	Northleaf	Other	Total	Lifeco	ChinaAMC	Rockefeller	Northleaf	Other	Total
<b>Three months ended</b>												
<b>Carrying value, October 1</b>	\$ 619.1	\$ 1,956.6	\$ 852.0	\$ 309.7	\$ 59.3	\$ 3,796.7	\$ 578.8	\$ 1,852.9	\$ 864.2	\$ 293.2	\$ 38.8	\$ 3,627.9
Additions	–	–	–	40.0	–	40.0	–	0.6	1.5	–	–	2.1
Dividends	(12.3)	–	–	–	–	(12.3)	(11.5)	–	–	–	–	(11.5)
Proportionate share of:												
Earnings (losses) <sup>(1)(2)</sup>	26.3	25.4	(2.5)	3.8	0.1	53.1	19.1	23.7	–	8.6	(0.8)	50.6
Other comprehensive income (loss) and other adjustments	0.4	48.1	53.7	–	–	102.2	2.9	8.1	(20.9)	–	–	(9.9)
<b>Carrying value, December 31</b>	\$ 633.5	\$ 2,030.1	\$ 903.2	\$ 353.5	\$ 59.4	\$ 3,979.7	\$ 589.3	\$ 1,885.3	\$ 844.8	\$ 301.8	\$ 38.0	\$ 3,659.2
<b>Twelve months ended</b>												
<b>Carrying value, January 1</b>	\$ 589.3	\$ 1,885.3	\$ 844.8	\$ 301.8	\$ 38.0	\$ 3,659.2	\$ 939.5	\$ 787.2	\$ –	\$ 284.5	\$ 40.1	\$ 2,051.3
Additions	–	–	0.1	40.0	21.5	61.6	–	1,162.4	857.7	–	0.5	2,020.6
Disposition	–	–	–	–	–	–	(397.7)	–	–	–	–	(397.7)
Dividends	(49.2)	(72.9)	–	(7.9)	–	(130.0)	(46.0)	(69.2)	–	–	–	(115.2)
Proportionate share of:												
Earnings (losses) <sup>(1)(2)(3)</sup>	93.1	113.5	(13.3)	19.6	(0.1)	212.8	66.9	104.1	(0.7)	17.3	(2.6)	185.0
IFRS 17 adjustment	–	–	–	–	–	–	15.1	–	–	–	–	15.1
Other comprehensive income (loss) and other adjustments	0.3	104.2	71.6	–	–	176.1	11.5	(99.2)	(12.2)	–	–	(99.9)
<b>Carrying value, December 31</b>	\$ 633.5	\$ 2,030.1	\$ 903.2	\$ 353.5	\$ 59.4	\$ 3,979.7	\$ 589.3	\$ 1,885.3	\$ 844.8	\$ 301.8	\$ 38.0	\$ 3,659.2

(1) The proportionate share of earnings from the Company's investment in associates is recorded in either the Wealth Management, Asset Management or Corporate and Other segment. The proportionate share of Lifeco earnings includes Lifeco other items of nil and (\$6.9) million, respectively, for the three and twelve month periods of 2024 compared to (\$6.0) million and (\$22.4) million, respectively, in 2023.

(2) The Company's proportionate share of Northleaf's earnings, net of non-controlling interest, was \$3.1 million and \$15.7 million, respectively, for the three and twelve month periods of 2024 compared to \$6.9 million and \$13.9 million, respectively, in 2023.

(3) The proportionate share of Rockefeller includes Rockefeller debt refinancing of (\$3.3) million for the twelve month period of 2024.

IGM Financial's accounting gain on the sale of the Lifeco shares is \$172.9 million before-tax (\$168.6 million after tax), consisting of \$179.1 million recorded in the first quarter of 2023 and a decrease of \$6.2 million that was recorded in the second quarter of 2023.

In the second quarter of 2023, the Company recorded a Lifeco IFRS 17 adjustment of \$15.1 million representing a change in estimate which was recorded on a prospective basis.

### China Asset Management Co., Ltd.

The equity method is used to account for the Company's 27.8% equity interest in ChinaAMC, as it exercises significant influence. Changes in the carrying value for

the three and twelve months ended December 31, 2024 are shown in Table 24. The change in Other comprehensive income of positive \$104.2 million in the twelve months ended December 31, 2024, was due to a 5.2% appreciation of the Chinese yuan relative to the Canadian dollar.

ChinaAMC's total assets under management, excluding subsidiary assets under management, were RMB¥ 2,464.5 billion (\$486.2 billion) at December 31, 2024, representing an increase of 35.1% (CAD 42.6%) from RMB¥ 1,823.6 billion (\$341.0 billion) at December 31, 2023. Investment fund net flows, which exclude subsidiary and institutional assets under management, were RMB¥ 29.7 billion and RMB¥ 324.4 billion for the

three and twelve month periods ended December 31, 2024, respectively (net flows obtained from Wind Information Co., Ltd.).

On January 12, 2023, the Company acquired an additional 13.9% interest in ChinaAMC for cash consideration of \$1.15 billion from Power which increased the Company's equity interest in ChinaAMC from 13.9% to 27.8%.

### **Rockefeller Capital Management**

The financial results of Rockefeller are accounted for using the equity method of accounting as the Company exercises significant influence arising from board representation, participation in the policy making process and shared strategic initiatives.

Rockefeller's client assets were USD \$151.2 billion (\$217.7 billion) at December 31, 2024, representing an increase of 23.8% (CAD 34.7%) from USD \$122.1 billion (\$161.6 billion) at December 31, 2023.

On April 3, 2023, the Company acquired a 20.5% equity interest in Rockefeller for cash consideration of \$835 million (USD \$622 million).

### **Northleaf Capital Group Ltd.**

The Company, through an acquisition vehicle held by the Company's subsidiary, Mackenzie, holds a 49.9% voting interest and a 70% economic interest in Northleaf. The acquisition vehicle is owned 80% by Mackenzie and 20% by Lifeco.

Mackenzie and Lifeco have an obligation and right to purchase the remaining equity and voting interest in

Northleaf commencing in approximately five years from the acquisition date and extending into future periods. The equity method is used to account for the acquisition vehicle's 70% economic interest as it exercises significant influence. Significant influence arises from board representation, participating in the policy making process and shared strategic initiatives.

The Company controls the acquisition vehicle therefore it recognizes the full 70% economic interest in Northleaf and recognizes Non-controlling interest related to Lifeco's net interest in Northleaf of 14%.

The October 2020 acquisition included additional consideration of up to \$245.0 million at the end of five years from the transaction date, subject to Northleaf achieving exceptional growth in certain performance measures over the period. As at December 31, 2024, the estimated fair value of the additional consideration was \$40.0 million (December 31, 2023 – nil). The change in fair value was recorded as an adjustment to the cost of the Company's investment in Northleaf, of which \$8.0 million was attributable to Non-controlling interest.

Northleaf's assets under management, including invested capital and uninvested commitments, were \$32.0 billion as at December 31, 2024, representing an increase of \$5.4 billion or 20.3% from \$26.6 billion at December 31, 2023. The increase during the twelve month period was driven by \$4.9 billion in new commitments and \$2.0 billion related to foreign exchange on USD denominated assets, offset in part by a decrease of \$1.5 billion related to return of capital.

## Consolidated Liquidity and Capital Resources

### Liquidity

Cash and cash equivalents totalled \$910.3 million at December 31, 2024 compared with \$544.6 million at December 31, 2023.

Client funds on deposit represents cash balances held by clients within their investment accounts and with the offset included in Deposit and certificates.

Working capital, which consists of current assets less current liabilities, totalled \$605.1 million at December 31, 2024 compared with \$358.2 million at December 31, 2023 (Table 25).

Working capital, which includes unallocated capital, is utilized to:

- Finance ongoing operations, including the funding of sales commissions.
- Temporarily finance mortgages in its mortgage banking operations.
- Pay interest related to long-term debt.
- Maintain liquidity requirements for regulated entities.
- Pay quarterly dividends on its outstanding common shares.
- Finance common share repurchases and retirement of long-term debt.
- Capital investment in the business and business acquisitions.

IGM Financial continues to generate significant cash flows from its operations. Earnings before interest, taxes, depreciation and amortization before sales commissions (EBITDA before sales commissions), a non-IFRS measure (see Non-IFRS Financial Measures and Other Financial

Measures), totalled \$1,547.3 million for the year ended December 31, 2024, compared to \$1,426.6 million for 2023. EBITDA before sales commissions excludes the impact of both commissions paid and commission amortization (Table 1).

Earnings before interest, taxes, depreciation and amortization after sales commissions (EBITDA after sales commissions), a non-IFRS measure (see Non-IFRS Financial Measures and Other Financial Measures), totalled \$1,417.6 million for the year ended December 31, 2024, compared to \$1,309.9 million for 2023. EBITDA after sales commissions excludes the impact of commission amortization (Table 1).

Refer to the Financial Instruments Risk section of this MD&A for information related to other sources of liquidity and to the Company's exposure to and management of liquidity and funding risk.

### Cash Flows

Table 26 – Cash Flows is a summary of the Consolidated Statements of Cash Flows which forms part of the Consolidated Financial Statements for the year ended December 31, 2024. Cash and cash equivalents increased by \$365.7 million in 2024 compared to a decrease of \$528.3 million in 2023.

Adjustments to determine net cash from operating activities during the year ended 2024 compared to 2023 consist of non-cash operating activities offset by cash operating activities:

- Add-back of amortization of capitalized sales commissions offset by the deduction of capitalized sales commissions paid.

**Table 25: Working Capital**

<i>As at December 31</i> (\$ millions)	2024	2023
<b>Current assets</b>		
Cash and cash equivalents	\$ 910.3	\$ 544.6
Client funds on deposit	3,723.7	3,365.7
Accounts receivable and other assets	364.7	431.6
Current portion of securitized mortgages and other	1,307.1	1,020.8
	<b>6,305.8</b>	<b>5,362.7</b>
<b>Current liabilities</b>		
Accounts and other payables	797.1	712.9
Deposits and certificates	3,702.5	3,343.1
Current portion of obligations to securitization entities and other	1,201.1	948.5
	<b>5,700.7</b>	<b>5,004.5</b>
<b>Working capital</b>	<b>\$ 605.1</b>	<b>\$ 358.2</b>

- Add-back of amortization of capital, intangible and other assets.
- Deduction of investment in associates' equity earnings offset by dividends received.
- Add-back of pension and other post-employment benefits offset by cash contributions.
- Changes in operating assets and liabilities and other.
- Adjustments for other items in 2023 which included the gain on the partial sale of the Company's investment in Lifeco and the gain on the sale of IPC.
- Add-back of a one-time adjustment in 2023 in respect of a restructuring provision and other.
- Deduction of restructuring provision cash payments.

Financing activities during the year ended December 31, 2024 compared to 2023 related to:

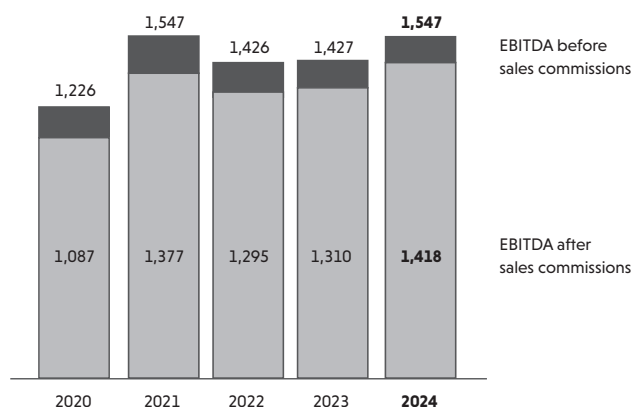
- An increase in obligations to securitization entities of \$1,528.8 million and repayments of obligations to securitization entities of \$1,269.5 million in 2024 compared to an increase in obligations to securitization entities of \$1,256.0 million and repayments of obligations to securitization entities of \$1,217.0 million in 2023.
- The purchase of 3,088,400 common shares in 2024 under IGM Financial's normal course issuer bid at a cost of \$122.5 million. There were no purchases in 2023.
- The payment of regular common share dividends which totalled \$534.0 million in 2024 compared to \$535.4 million in 2023.

2023 also included the following:

- Net proceeds on the credit facility of \$550.0 million which was repaid prior to the close of the IPC sale.
- Issuance of debentures of \$300.0 million.

## Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)<sup>(1)</sup>

For the financial year (\$ millions)



EBITDA before and after sales commissions excluded the following:

2020 – the gain on sale of Personal Capital, gain on sale of Quadrus Group of Funds net of acquisition costs, the Company's proportionate share of associate's adjustments and restructuring and other.

2021 – additional consideration receivable related to the sale of Personal Capital in 2020.

2023 – the gain on sale of IPC, gain on sale of Lifeco, Lifeco IFRS 17 adjustment, restructuring and other and Lifeco other items.

2024 – Lifeco other items and Rockefeller's one-time debt refinancing costs

(1) A Non-IFRS financial measure – see Non-IFRS Financial Measures and Other Financial Measures section of this document.

Investing activities during the year ended December 31, 2024 compared to 2023 primarily related to:

- Purchases of other investments totalling \$99.4 million and sales of other investments with proceeds of \$108.5 million in 2024 compared to \$86.7 million and \$80.8 million, respectively, in 2023.
- Increase in loans of \$1,582.3 million with repayments of loans and other of \$1,218.1 million in 2024 compared

**Table 26: Cash Flows**

Twelve months ended (\$ millions)	2024 Dec. 31	2023 Dec. 31	Change
Operating activities			
Earnings before income taxes	\$ 1,209.6	\$ 1,367.0	(11.5)%
Income taxes paid	(194.2)	(222.7)	12.8
Adjustments to determine net cash from operating activities	137.5	(307.0)	N/M
	1,152.9	837.3	37.7
Financing activities	(313.4)	(203.8)	(53.8)
Investing activities	(473.8)	(1,161.8)	59.2
<b>Change in cash and cash equivalents</b>	<b>365.7</b>	<b>(528.3)</b>	<b>N/M</b>
Cash and cash equivalents, beginning of year	544.6	1,072.9	(49.2)
<b>Cash and cash equivalents, end of year</b>	<b>\$ 910.3</b>	<b>\$ 544.6</b>	<b>67.2 %</b>

to \$1,203.2 million and \$1,113.5 million, respectively, in 2023, primarily related to residential mortgages in the Company's mortgage banking operations.

- Net cash used in additions to intangible assets and acquisitions and other was \$87.3 million in 2024 compared to \$125.0 million in 2023.

2023 also included the following:

- Investment in ChinaAMC of \$1,162.4 million.
- Investment in Rockefeller of \$857.7 million, which was comprised of cash consideration of \$835 million and transaction costs.
- Sale of Lifeco shares with proceeds of \$552.7 million.
- Sale of IPC with proceeds of \$555.0 million, net of cash and cash equivalents of discontinued operations.

### Accumulated Other Comprehensive Income

Accumulated other comprehensive income totalled \$1.1 billion at December 31, 2024, compared to \$0.3 billion at December 31, 2023, as detailed in Table 27.

Other comprehensive income for employee benefits in 2024 resulted from an increase in the discount rate by approximately 0.10% and higher investment returns from the registered pension plan assets.

The gain related to Other investments in 2024 is primarily due to a change in fair value of Wealthsimple of approximately 100%. The change is consistent with third party secondary transactions in the fourth quarter, increases in public peer valuations and Wealthsimple's business performance and revised revenue expectations.

Other comprehensive income for Investment in associates in 2024 was primarily related to the foreign

exchange translation related to the Company's investment in ChinaAMC and Rockefeller.

### Capital Resources

The Company's capital management objective is to maximize shareholder returns while ensuring that the Company is capitalized in a manner which appropriately supports regulatory capital requirements, working capital needs and business expansion. The Company's capital management practices are focused on preserving the quality of its financial position by maintaining a solid capital base and a strong balance sheet. Capital of the Company consists of long-term debt and shareholders' equity which totalled \$10.2 billion at December 31, 2024, compared to \$9.1 billion at December 31, 2023. The Company regularly assesses its capital management practices in response to changing economic conditions.

The Company's capital is primarily utilized in its ongoing business operations to support working capital requirements, long-term investments made by the Company, business expansion and other strategic objectives. Subsidiaries subject to regulatory capital requirements include investment dealers, mutual fund dealers, exempt market dealers, portfolio managers, investment fund managers and a trust company. These subsidiaries are required to maintain minimum levels of capital based on either working capital, liquidity or shareholders' equity. The Company's subsidiaries have complied with all regulatory capital requirements.

The total outstanding long-term debt was \$2.4 billion at December 31, 2024, unchanged from December 31, 2023. Long-term debt is comprised of debentures which are senior unsecured debt obligations of the Company

**Table 27: Accumulated Other Comprehensive Income (Loss)**

(\$ millions)	Employee Benefits	Other Investments	Investment in Associates and Other	Total
<b>2024</b>				
Balance, January 1	\$ (14.0)	\$ 394.0	\$ (63.7)	\$ 316.3
Other comprehensive income (loss)	48.1	523.3	182.4	753.8
<b>Balance, December 31</b>	<b>\$ 34.1</b>	<b>\$ 917.3</b>	<b>\$ 118.7</b>	<b>\$ 1,070.1</b>
<b>2023</b>				
Balance, January 1	\$ 4.4	\$ 309.6	\$ 48.8	\$ 362.8
Other comprehensive income (loss)	(18.4)	85.1	(96.5)	(29.8)
Disposal of investment in associate	-	-	(16.0)	(16.0)
Transfer out of FVTOCI	-	(0.7)	-	(0.7)
Balance, December 31	\$ (14.0)	\$ 394.0	\$ (63.7)	\$ 316.3

subject to standard covenants, including negative pledges, but which do not include any specified financial or operational covenants.

The Company purchased 3,088,400 common shares during the twelve months ended December 31, 2024 at a cost of \$122.5 million under its Normal Course Issuer Bid (NCIB) (refer to Note 19 to the Consolidated Financial Statements).

The Company commenced an NCIB on December 23, 2024 to purchase for cancellation up to 5 million of its common shares. The program will be used to mitigate the dilutive effect of stock options issued under the Company's stock option plan and for other capital management purposes. The Company's previous NCIB expired on December 20, 2024 where the Company was authorized to purchase for cancellation up to 3 million of its common shares.

In connection with its NCIB, the Company has established an automatic securities purchase plan (ASPP) for its common shares. The ASPP provides standard instructions regarding how IGM Financial's common shares are to be purchased under the NCIB during certain pre-determined trading blackout periods, subject to pre-established parameters. Outside of these pre-determined trading blackout periods, purchases under the Company's NCIB will be completed based upon management's discretion.

Other activities in 2024 included the declaration of common share dividends of \$533.9 million or \$2.25 per share. Changes in common share capital are reflected in the Consolidated Statements of Changes in Equity.

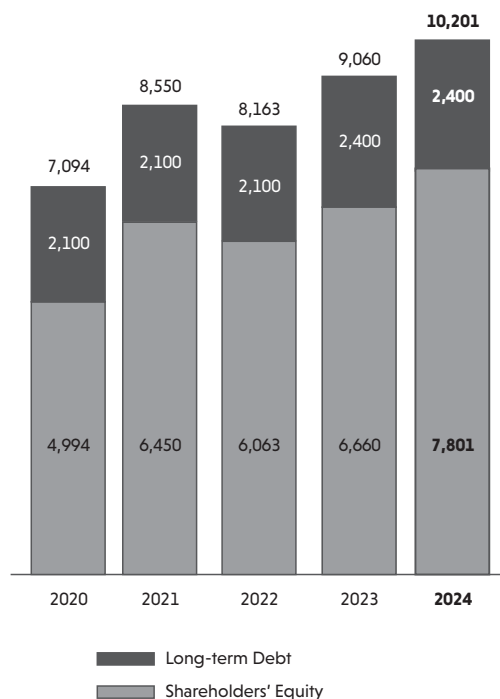
Standard & Poor's (S&P) current rating on the Company's senior unsecured debentures is "A" with a stable outlook. Morningstar DBRS current rating on the Company's senior unsecured debentures is "A (High)" with a stable rating trend.

Credit ratings are intended to provide investors with an independent measure of the credit quality of the securities of a company and are indicators of the likelihood of payment and the capacity of a company to meet its obligations in accordance with the terms of each obligation. Descriptions of the rating categories for each of the agencies set forth below have been obtained from the respective rating agencies' websites.

These ratings are not a recommendation to buy, sell or hold the securities of the Company and do not address market price or other factors that might determine

## Capital

As at December 31 (\$ millions)



suitability of a specific security for a particular investor. The ratings also may not reflect the potential impact of all risks on the value of securities and are subject to revision or withdrawal at any time by the rating organization.

The A rating assigned to IGM Financial's senior unsecured debentures by S&P is the sixth highest of the 22 ratings used for long-term debt. This rating indicates S&P's view that the Company's capacity to meet its financial commitment on the obligation is strong, but the obligation is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories.

The A (High) rating assigned to IGM Financial's senior unsecured debentures by Morningstar DBRS is the fifth highest of the 22 ratings used for long-term debt. Under the Morningstar DBRS long-term rating scale, debt securities rated A (High) are of good credit quality and the capacity for the payment of financial obligations is substantial, but of lesser credit quality than AA. Entities in the A (High) category may be vulnerable to future events, but qualifying negative factors are considered manageable.

## Financial Instruments

Table 28 presents the carrying amounts and fair values of financial assets and financial liabilities. The table 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, credit facility, and certain other financial liabilities.

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 held for trading are valued using market interest rates for loans with similar credit risk and maturity, specifically lending rates offered to retail borrowers by financial institutions.
- Loans classified as amortized cost are valued by discounting the expected future cash flows at prevailing market yields.
- Valuation methods used for Other investments classified as FVTOCI include comparison to market transactions with arm's length third parties, use of market multiples, and discounted cash flow analysis.
- 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.

See Note 25 of the Consolidated Financial Statements which provides additional discussion on the determination of fair value of financial instruments.

Although there were changes to both the carrying values and fair values of financial instruments, these changes did not have a material impact on the financial condition of the Company for the twelve months ended December 31, 2024.

**Table 28: Financial Instruments**

(\$ millions)	December 31, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial assets recorded at fair value</b>				
Other investments				
– FVTOCI	\$ 1,350.4	\$ 1,350.4	\$ 721.4	\$ 721.4
– FVTPL	118.1	118.1	142.2	142.2
Derivative financial instruments	36.0	36.0	42.7	42.7
<b>Financial assets recorded at amortized cost</b>				
Loans				
– Amortized cost	5,462.4	5,491.9	5,108.7	5,070.8
<b>Financial liabilities recorded at fair value</b>				
Derivative financial instruments	25.7	25.7	49.6	49.6
<b>Financial liabilities recorded at amortized cost</b>				
Deposits and certificates	3,702.5	3,702.5	3,344.2	3,344.2
Obligations to securitization entities	5,024.9	5,098.4	4,687.8	4,695.7
Long-term debt	2,400.0	2,485.4	2,400.0	2,453.4

## Risk Management

IGM Financial is exposed to a variety of risks that are inherent in our business activities. Our ability to manage these risks is key to our ongoing success. The Company emphasizes a strong risk management culture and the implementation of an effective risk management approach. Our approach coordinates risk management across the organization and its business units and seeks to ensure prudent and measured risk-taking in order to achieve an appropriate balance between risk and return. Fundamental to our enterprise risk management program is protecting and enhancing our reputation.

### Risk Management Framework

The Company's risk management approach is undertaken through our comprehensive Risk Management Framework which is composed of four core elements: risk governance, risk appetite, a defined risk management process, and risk management culture. The Risk Management Framework is approved by the Board of Directors.

### Risk Governance

Our risk governance structure emphasizes ownership of risk management in each business unit and oversight by an Executive Risk Management Committee accountable to the Risk Committee of the Board (Risk Committee) and ultimately to the Board of Directors. Additional oversight is provided by the Risk, Compliance and Internal Audit functions.

The Risk Committee provides primary oversight and carries out its risk management mandate. The Risk Committee is responsible for assisting the Board in reviewing and overseeing the risk governance structure and risk management program of the Company by:

- i) ensuring that appropriate procedures are in place to identify and manage risks and establish risk appetite,
- ii) ensuring that appropriate policies, procedures and controls are implemented to manage risks, and
- iii) reviewing the risk management process on a regular basis to ensure that it is functioning effectively.

Other specific risks are managed with the support of the following Board committees:

- The Audit Committee has specific risk oversight responsibilities in relation to financial disclosure, internal controls and the control environment as well as our compliance activities, including administration of the Code of Conduct.

- The Human Resource Committee oversees human resources and talent practices and policies including compensation.
- The Governance and Nominating Committee oversees corporate governance practices.
- The Related Party and Conduct Review Committee oversees conflicts of interest.

Management oversight for risk management resides with the Executive Risk Management Committee which is comprised of the Chief Executive Officers of IGM Financial, IG Wealth Management and Mackenzie Investments, the Chief Financial Officer, the General Counsel, the Chief Operating Officer, the Chief Information Officer, the Chief Human Resources Officer, and the Chief Risk Officer, who reports to the Chief Executive Officer of IGM Financial. The committee is responsible for oversight of IGM Financial's risk management process by: i) establishing and maintaining the risk framework and policies; ii) defining the risk appetite; iii) ensuring our risk profile and processes are aligned with corporate strategy and risk appetite; and iv) establishing "tone at the top" and reinforcing a strong culture of risk management.

The Chief Executive Officers of the operating companies have overall responsibility for overseeing risk management of their respective companies.

The Company has assigned responsibility for risk management using the Three Lines of Defence model, with the First Line reflecting the business units having primary responsibility for risk management, supported by Second Line risk management functions and a Third Line (the Internal Audit function) providing assurance and validation of the design and effectiveness of the Risk Management Framework.

### First Line of Defence

The leaders of the various business units and support functions have primary ownership and accountability for the ongoing risk management associated with their respective activities. Responsibilities of business unit and support function leaders include: i) executing and maintaining procedures for the identification, assessment, documentation and escalation of risks, ii) implementing control activities to mitigate risks, iii) identifying opportunities for risk reduction or transfer, and iv) aligning business and operational strategies with the risk culture and risk appetite of



the organization as established by the Executive Risk Management Committee.

### **Second Line of Defence**

The Risk function, overseen by the Chief Risk Officer, provides oversight, analysis and reporting to the Executive Risk Management Committee on the level of risks relative to the established risk appetite for all activities of the Company. Other responsibilities include: i) developing and maintaining the risk management program and framework, ii) managing the risk management process, and iii) providing guidance and training to business unit and support function leaders.

The Company has a number of committees of senior business leaders which provide oversight of specific business risks, including the Financial Risk Management and Operational Risk Management committees. These committees perform critical reviews of risk assessments, risk management practices and risk response plans developed by business units and support functions.

Other oversight accountabilities reside with the Company's Legal and Compliance functions which are responsible for ensuring compliance with policies, laws and regulations.

### **Third Line of Defence**

The Internal Audit function is the third line of defence and provides independent assurance to senior management and the Board of Directors on the effectiveness of the Company's risk management policies, processes and practices.

### **Risk Appetite**

The Company's appetite for different types of risk is established through the Risk Appetite Framework which is approved by the Board of Directors. Under the Risk Appetite Framework, one of four appetite levels is established for each risk type and business activity of the Company. These appetite levels range from those where the Company has no appetite for risk and seeks to minimize any losses, to those where the Company readily accepts exposure while seeking to ensure that risks are well understood and managed. These appetite levels guide our business units as they engage in business activities, and inform them in establishing policies, limits, controls and risk transfer activities.

The Risk Appetite Framework facilitates the alignment of business strategy with risk appetite, supports capital deployment assessments, and supports the identification, mitigation, and management of risks.

### **Risk Management Process**

The Company's risk management process is designed to foster:

- Ongoing assessment of risks and tolerance in a changing operating environment.
- Appropriate identification and understanding of existing and emerging risks and risk response.
- Timely monitoring and escalation of risks based upon changing circumstances.

Significant risks that may adversely affect the Company's ability to achieve its strategic and business objectives are identified through the Company's ongoing risk management process.

We use a consistent methodology across our organizations and business units for identification and assessment of risks. Risks are assessed by evaluating the impact and likelihood of the potential risk event after consideration of controls and any risk transfer activities. The results of these assessments are considered relative to risk appetite and may result in action plans to adjust the risk profile.

Risk assessments are monitored and reviewed on an ongoing basis by business units and by oversight areas including the Risk function. The Risk function promotes and coordinates communication and consultation to support effective risk management and escalation. The Risk function regularly reports on the results of risk assessments and on the assessment process to the Executive Risk Management Committee and to the Risk Committee.

### **Risk Management Culture**

Risk management is everyone's responsibility within the organization. The Risk function engages all business units in risk workshops to foster awareness and to incorporate our risk framework into business activities.

We have an established business planning process which reinforces our risk management culture. Our compensation programs are typically objectives-based, do not encourage or reward excessive or inappropriate risk taking, and often are aligned specifically with risk management objectives.

Our risk management program emphasizes integrity, ethical practices, responsible management and measured risk-taking with a long-term view. Our standards of integrity and ethics are reflected within our Code of Conduct which applies to directors, officers and employees.

## Key Risks of the Business

Significant risks that may adversely affect our ability to achieve strategic and business objectives are identified through our ongoing risk management process.

Risks are identified based on our established methodology, considering factors both internal and external to the organization. These risks are broadly grouped into three categories: financial, operational, and strategic and business.

### 1) Financial Risk

This is the risk of financial loss related to AUM&A, liquidity and funding risk, credit risk, or market risk.

#### Risks Related to AUM&A

At December 31, 2024, IGM Financial's AUM&A were \$270.4 billion compared to \$240.2 billion at December 31, 2023. AUM&A Including SI were \$483.5 billion at December 31, 2024 compared to \$390.6 billion at December 31, 2023.

The Company's primary sources of revenues are advisory fees and asset management fees which are applied as an annual percentage of the level of AUM&A. AUM&A levels are impacted by both net sales and changes in the market.

Global markets by their nature are subject to uncertainty and a variety of risks. Movement in equity market prices, foreign exchange rates, real asset values, interest rates/credit spreads, or other asset values could cause the Company's AUM&A, revenue and earnings to decline. A general economic downturn, market volatility, client rebalancing, poor investment performance, or a lack of investor confidence could also lead to lower sales, higher redemption levels and lower AUM&A.

The Company believes that exposure to investment returns on its client portfolios is beneficial over the long term to financial results and consistent with stakeholder expectations, and therefore does not typically engage in risk transfer activities such as hedging in relation to these exposures.

The Company's exposure to market risk aligns with the experience of its clients. AUM are broadly diversified by asset class, geographic region, industry sector, investment team and style. The Company regularly reviews the sensitivity of its AUM, revenues, earnings and cash flow to changes in financial markets.

Domestic and foreign equity securities are exposed to equity price risk which may negatively impact AUM&A, revenues and earnings. Equity price risk can be classified into two categories: general equity risk and issuer-specific risk. The Company's internal and external fund managers reduce exposure to issuer-specific risks through diversification.

Fixed-income securities are exposed to interest rate risk. An increase in interest rates causes market prices of fixed-income securities to fall while a decrease in interest rates causes market prices to rise, thus impacting AUM&A, revenue and earnings.

Foreign currency denominated securities are exposed to foreign exchange risk. A depreciation in foreign currency versus the Canadian dollar will cause the Canadian value of securities to fall while an appreciation in foreign currency versus the Canadian dollar will cause the Canadian value of securities to rise, thus impacting AUM&A, revenue and earnings.

**Table 29: IGM Financial AUM – Asset and Currency Mix**

<i>As at December 31, 2024</i>	Investment Funds	Total
Cash	2.4 %	3.3 %
Short-term fixed income and mortgages	2.8	2.9
Other fixed income	21.8	22.0
Domestic equity	18.0	23.1
Foreign equity	52.9	47.1
Real Property	2.1	1.6
	<b>100.0 %</b>	<b>100.0 %</b>
CAD	47.6 %	54.2 %
USD	38.1	34.0
Other	14.3	11.8
	<b>100.0 %</b>	<b>100.0 %</b>

## Liquidity and Funding Risk

This is the risk of an inability to generate or obtain sufficient cash in a timely and cost-effective manner to meet contractual or anticipated commitments as they come due or arise.

Our liquidity profile is structured to ensure we have sufficient liquidity to satisfy current and prospective requirements in both normal and stressed conditions. Our liquidity management practices include:

- Maintaining liquid assets and lines of credit to satisfy near term liquidity needs.
- Ensuring effective controls over liquidity management processes.
- Performing regular cash forecasts and stress testing.
- Regular assessment of capital market conditions and the Company's ability to access bank and capital market funding.
- Ongoing efforts to diversify and expand long-term mortgage funding sources.
- Oversight of liquidity and funding risks by an internal Financial Risk Management Committee.

A key funding requirement is the funding of advisor network compensation paid for the distribution of financial products and services. This compensation continues to be paid from operating cash flows.

The Company also maintains sufficient liquidity to fund and temporarily hold mortgages, which include HELOCs, pending sale or securitization to long-term funding sources and to manage any derivative collateral requirements. Through its mortgage banking operations, residential mortgages are sold to third parties including certain mutual funds, institutional investors through private placements, Canadian bank-sponsored securitization trusts, and by issuance and sale of National Housing Act Mortgage-Backed Securities (NHA MBS)

including sales to Canada Housing Trust under the CMB Program. The Company maintains committed capacity within certain Canadian bank-sponsored securitization trusts. Capacity for sales under the CMB Program consists of participation in new CMB issues and reinvestment of principal repayments held in the Principal Reinvestment Accounts. The Company's continued ability to fund residential mortgages through Canadian bank-sponsored securitization trusts and NHA MBS is dependent on securitization market conditions and government regulations that are subject to change. A condition of the NHA MBS and CMB Program is that securitized loans be insured by an insurer that is approved by CMHC. The availability of mortgage insurance is dependent upon market conditions and is subject to change.

The Company accesses the unsecured long-term debt markets for corporate purposes, and ensures a well-diversified maturity structure to manage associated funding risks.

The Company's contractual obligations are reflected in Table 30.

The maturity schedule for long-term debt of \$2.4 billion is reflected in the accompanying chart (Long-Term Debt Maturity Schedule).

In addition to IGM Financial's current balance of cash and cash equivalents, liquidity is available through the Company's lines of credit. The Company's lines of credit with various Schedule I Canadian chartered banks totalled \$800 million at December 31, 2024, unchanged from December 31, 2023. The lines of credit at December 31, 2024 consisted of committed lines of \$650 million and uncommitted lines of \$150 million, unchanged from December 31, 2023. Any advances made by a bank under the uncommitted lines of credit are at the bank's sole discretion. As at December 31, 2024 and December 31, 2023, the Company was not utilizing

**Table 30: Contractual Obligations**

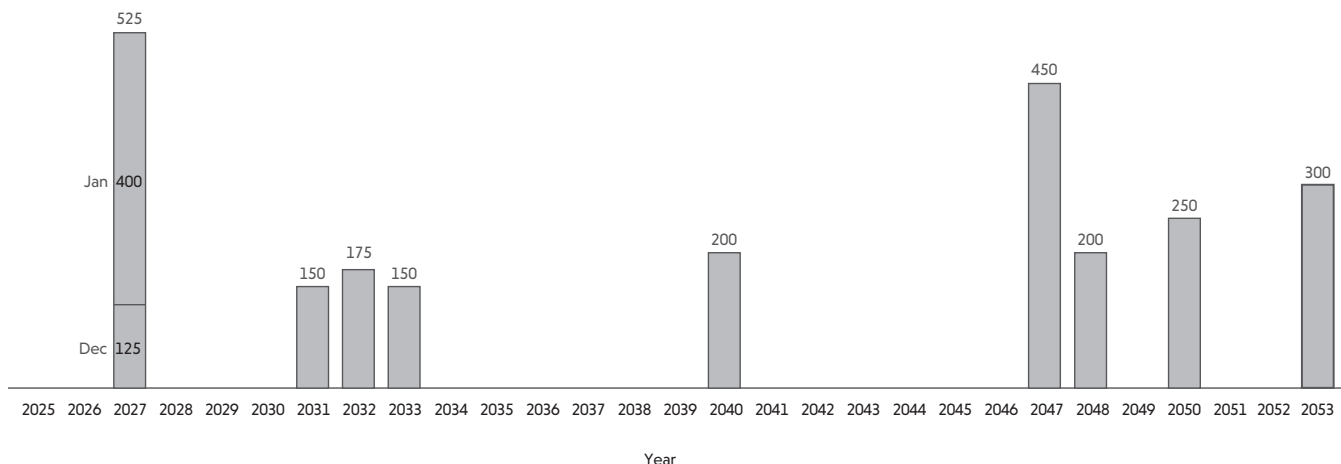
<i>As at December 31, 2024</i> (\$ millions)	Demand	Less than 1 Year	1–5 Years	After 5 Years	Total
Derivative financial instruments	\$ –	\$ 10.5	\$ 15.2	\$ –	\$ 25.7
Deposits and certificates <sup>(1)</sup>	3,702.5	–	–	–	3,702.5
Obligations to securitization entities	–	1,190.6	3,815.8	18.5	5,024.9
Leases <sup>(2)</sup>	–	29.3	92.0	107.3	228.6
Long-term debt	–	–	525.0	1,875.0	2,400.0
<b>Total contractual obligations</b>	<b>\$ 3,702.5</b>	<b>\$ 1,230.4</b>	<b>\$ 4,448.0</b>	<b>\$ 2,000.8</b>	<b>\$ 11,381.7</b>

(1) Deposits and certificates due on demand are primarily offset by client funds held on deposit.

(2) Includes remaining lease payments related to office space and equipment used in the normal course of business.

## Long-Term Debt Maturity Schedule

(\$ millions)



its committed lines of credit or its uncommitted lines of credit.

In 2023, Schedule I Canadian chartered banks provided the Company with a non-revolving term loan facility related to the proceeds on the sale of IPC. The term loan facility was repaid prior to the sale of IPC in the fourth quarter of 2023.

The actuarial valuation for funding purposes related to the Company's registered defined benefit pension plan, based on a measurement date of December 31, 2022, was completed during 2023. The valuation determines the plan surplus or deficit on both a solvency and going concern basis. The solvency basis determines the relationship between the plan assets and its liabilities assuming that the plan is wound up and settled on the valuation date. A going concern valuation compares the relationship between the plan assets and the present value of the expected future benefit cash flows, assuming the plan will be maintained indefinitely. Based on the actuarial valuation, the registered pension plan had a solvency surplus of \$70.5 million compared to a surplus of \$14.4 million in the previous actuarial valuation, which was based on a measurement date of December 31, 2021. The improvement in the funded status resulted largely from interest rate increases. The registered pension plan had a going concern surplus of \$127.4 million compared to \$95.0 million in the previous valuation. The next actuarial valuation will be based on a measurement date of December 31, 2025. During the year, the Company was not required to make any cash contributions (2023 – \$3.7 million). As a result of the valuation filed in 2023, IGM Financial received

a contribution holiday and is not allowed to make contributions to the pension plan until the next actuarial valuation which is expected to be as at December 31, 2025. Pension contribution decisions are subject to change, as contributions are affected by many factors including market performance, regulatory requirements, changes in assumptions and management's ability to change funding policy.

Management believes cash flows from operations, available cash balances and other sources of liquidity are sufficient to meet the Company's liquidity needs. The Company continues to have the ability to meet its operational cash flow requirements, its contractual obligations, and its declared dividends. The current practice of the Company is to declare and pay dividends to common shareholders on a quarterly basis at the discretion of the Board of Directors. The declaration of dividends by the Board of Directors is dependent on a variety of factors, including earnings which are significantly influenced by the impact that market risk has on the Company's fee income and commission and certain other expenses. The Company's liquidity position and its management of liquidity and funding risk have not changed materially since December 31, 2023.

### Credit Risk

This is the risk of financial loss to the Company if a counterparty to a transaction fails to meet its obligations.

The Company is exposed to credit risk through its cash and cash equivalents, client funds on deposit, mortgage portfolio, and use of over-the-counter derivatives. The

Company monitors its credit risk management practices on an ongoing basis to evaluate their effectiveness.

#### **Cash and Cash Equivalents and Client Funds on Deposit**

At December 31, 2024, cash and cash equivalents of \$910.3 million (2023 – \$544.6 million) consisted of cash balances of \$545.0 million (2023 – \$216.5 million) primarily on deposit with Canadian chartered banks and cash equivalents of \$365.3 million (2023 – \$328.1 million). Cash equivalents are comprised of Government of Canada treasury bills totalling \$37.9 million (2023 – \$0.5 million), provincial government treasury bills and promissory notes of \$289.5 million (2023 – \$36.4 million), and bank term deposits and bankers' acceptances of \$37.9 million (2023 – \$291.2 million).

The Company manages credit risk related to cash and cash equivalents by adhering to its corporate investment and counterparty credit risk management policies that outline credit risk parameters and concentration limits. The Company regularly reviews the credit ratings of its counterparties. The maximum exposure to credit risk on these financial instruments is their carrying value.

The Company's exposure to and management of credit risk related to cash and cash equivalents and fixed income securities have not changed materially since December 31, 2023.

IG Wealth Management's client funds on deposit of \$3.7 billion (2023 – \$3.4 billion) are held with Schedule I chartered banks and approximately 92% of the client deposits were insured by the Canada Deposit Insurance Corporation (CDIC) at December 31, 2024.

#### **Mortgage Portfolio**

At December 31, 2024, residential mortgages including HELOCs, recorded on the Company's balance sheet, of \$5.5 billion (2023 – \$5.1 billion) consisted of \$5.1 billion sold to securitization programs (2023 – \$4.7 billion), \$405.7 million held pending sale or securitization (2023 – \$375.5 million) and \$11.2 million related to the Company's intermediary operations (2023 – \$11.5 million).

The Company manages credit risk related to residential mortgages through:

- Adhering to its lending policy and underwriting standards;
- Its loan servicing capabilities;
- Use of client-insured mortgage default insurance and mortgage portfolio default insurance held by the Company; and

- Its practice of originating its mortgages exclusively through a network of Mortgage Advisors and IG Wealth Management advisors as part of a client's IG Living Plan.

In certain instances, credit risk is also limited by the terms and nature of securitization transactions as described below:

- Under the NHA MBS program totalling \$2.5 billion (2023 – \$2.4 billion), the Company is obligated to make timely payment of principal and coupons irrespective of whether such payments were received from the mortgage borrower. However, as required by the NHA MBS program, 100% of the loans are insured by an approved insurer.
- Credit risk for mortgages securitized by transfer to bank-sponsored securitization trusts totalling \$2.6 billion (2023 – \$2.3 billion) is limited to amounts held in cash reserve accounts and future net interest income, the fair values of which were \$62.7 million (2023 – \$58.0 million) and \$38.0 million (2023 – \$37.0 million), respectively, at December 31, 2024. Cash reserve accounts are reflected on the balance sheet, whereas rights to future net interest income are not reflected on the balance sheet and will be recorded over the life of the mortgages.

At December 31, 2024, residential mortgages recorded on balance sheet were 48.9% insured (2023 – 50.7%). At December 31, 2024, impaired mortgages on these portfolios were \$3.5 million, compared to \$3.1 million at December 31, 2023. Uninsured non-performing mortgages over 90 days on these portfolios were \$2.1 million at December 31, 2024, compared to \$2.8 million at December 31, 2023.

The Company also retains certain elements of credit risk on mortgage loans sold to the IG Mackenzie Mortgage and Short-Term Income Fund through an agreement to repurchase mortgages in certain circumstances benefiting the funds. These loans are not recorded on the Company's balance sheet as the Company has transferred substantially all of the risks and rewards of ownership associated with these loans.

The Company regularly reviews the credit quality of the mortgages and the adequacy of the allowance for expected credit losses.

The Company's allowance for expected credit losses was \$0.8 million at December 31, 2024, compared to \$0.7 million at December 31, 2023, 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 in interest rates, 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, 2023.

### Derivatives

The Company is exposed to credit risk through derivative contracts it utilizes to hedge interest rate risk, to facilitate securitization transactions and to hedge market risk related to certain stock-based compensation arrangements. These derivatives are discussed more fully under the Market Risk section of this MD&A.

To the extent that the fair value of the derivatives is in a gain position, the Company is exposed to credit risk if its counterparties fail to fulfil their obligations under these arrangements.

The Company's derivative activities are managed in accordance with its Derivative Policy which includes counterparty limits and other parameters to manage counterparty risk. The aggregate credit risk exposure related to derivatives that are in a gain position of \$40.4 million (2023 – \$51.2 million) does not give effect to any netting agreements or collateral arrangements. The exposure to credit risk, considering netting agreements and collateral arrangements and including rights to future net interest income, was \$20.6 million at December 31, 2024 (2023 – \$3.7 million). Counterparties are all Canadian Schedule I chartered banks and, as a result, management has determined that the Company's overall credit risk related to derivatives was not significant at December 31, 2024. Management of credit risk related to derivatives has not changed materially since December 31, 2023.

Additional information related to the Company's securitization activities and utilization of derivative contracts can be found in Notes 2, 7, 8 and 24 to the Consolidated Financial Statements included in the 2024 IGM Financial Inc. Annual Report.

### Market Risk

This is the risk of loss arising from changes in the values of the Company's financial instruments due to changes in interest rates, equity prices or foreign exchange rates.

### Interest Rate Risk

IGM Financial is exposed to interest rate risk on its mortgage portfolio and on certain of the derivative

financial instruments used in our mortgage banking operations.

The Company manages interest rate risk associated with its mortgage banking operations by entering into interest rate swaps with Canadian Schedule I chartered banks as follows:

- The Company has in certain instances funded floating rate mortgages with fixed rate Canada Mortgage Bonds as part of the securitization transactions under the CMB Program. As part of the CMB Program, the Company is party to a swap whereby it is entitled to receive investment returns on reinvested mortgage principal and is obligated to pay Canada Mortgage Bond coupons. This swap had a fair value of negative \$3.6 million (December 31, 2023 – positive \$7.7 million) and an outstanding notional amount of \$0.3 billion at December 31, 2024 (December 31, 2023 – \$0.2 billion). The Company enters into interest rate swaps with Canadian Schedule I chartered banks to hedge the risk that the interest rates earned on floating rate mortgages and reinvestment returns decline. The fair value of these swaps totalled negative \$4.3 million (December 31, 2023 – negative \$12.5 million), on an outstanding notional amount of \$1.4 billion at December 31, 2024 (December 31, 2023 – \$1.4 billion). The net fair value of these swaps of negative \$7.9 million at December 31, 2024 (December 31, 2023 – negative \$4.8 million) is recorded on the balance sheet and has an outstanding notional amount of \$1.7 billion (December 31, 2023 – \$1.6 billion).
- The Company is exposed to the impact that changes in interest rates may have on the value of mortgages committed to or held pending sale or securitization to long-term funding sources. The Company enters into interest rate swaps to hedge the interest rate risk related to funding costs for mortgages held by the Company pending sale or securitization. Hedge accounting is applied to the cost of funds on certain securitization activities. The effective portion of fair value changes of the associated interest rate swaps are initially recognized in Other comprehensive income and subsequently recognized in Wealth Management revenue over the term of the related Obligations to securitization entities. The fair value of these swaps was negative \$1.1 million (December 31, 2023 – negative \$1.1 million) on an outstanding notional amount of \$166.0 million at December 31, 2024 (December 31, 2023 – \$181.5 million).

As at December 31, 2024, the impact to annual net earnings of a 100 basis point increase in interest

rates would have been an increase of approximately \$0.5 million (December 31, 2023 – increase of \$0.5 million). The Company's exposure to and management of interest rate risk have not changed materially since December 31, 2023.

#### **Equity Price Risk**

IGM Financial is exposed to equity price risk on our equity investments which are classified as either FVTOCI or FVTPL, and on our investments in associates, which are accounted for using the equity method. The fair value of other investments was \$1.5 billion at December 31, 2024 (December 31, 2023 – \$0.9 billion), as shown in Table 22, and the carrying value of investment in associates was \$4.0 billion at December 31, 2024 (December 31, 2023 – \$3.7 billion).

The Company sponsors a number of deferred compensation arrangements where payments to participants are deferred and linked to the performance of the common shares of IGM Financial Inc. The Company hedges its exposure to this risk through the use of forward agreements and total return swaps.

#### **Foreign Exchange Risk**

IGM Financial is exposed to foreign exchange risk on its investment in ChinaAMC and Rockefeller. Changes to the carrying value due to changes in foreign exchange rates are recognized in Other comprehensive income. As at December 31, 2024, a 5% appreciation (depreciation) in Canadian currency relative to foreign currencies would decrease (increase) the aggregate carrying value of foreign investments by approximately \$137.8 million (\$152.3 million).

The Company's proportionate share of ChinaAMC's and Rockefeller's earnings, recorded in Proportionate share of associates' earnings in the Consolidated Statements of Earnings, is also affected by changes in foreign exchange rates. For the year ended December 31, 2024, the impact to net earnings of a 5% appreciation (depreciation) in Canadian currency relative to foreign currencies would decrease (increase) the Company's proportionate share of associates' earnings by approximately \$4.8 million (\$5.3 million).

## **2) Operational Risk**

This is the risk of financial loss, reputational damage or regulatory actions resulting from inadequate or failed internal processes or systems, human interaction or external events.

We are exposed to a broad range of operational risks, including information security and system failures, errors relating to transaction processing, financial models and valuations, failure of key third parties, fraud and misappropriation of assets, and inadequate application of internal control processes.

Operational risks relating to people and processes are mitigated through policies and process controls. Oversight of risks and ongoing evaluation of the effectiveness of controls is provided by the Company's Risk, Compliance, and Internal Audit functions.

The Company's insurance governance process includes oversight by the Insurance Steering Committee and senior executives. As part of this process, the nature and extent of the Company's insurance is regularly reviewed to ensure coverage remains appropriate and complies with relevant laws, regulations, and contractual agreements.

The business unit leaders are responsible for management of the day to day operational risks of their respective business units. Specific programs, policies, training, standards and governance processes have been developed to help manage operational risk.

#### **Technology and Cyber Risk**

This is the risk of failure or inappropriate usage of information and technology that enables business operations and strategies which may result in business disruption and missed opportunities.

Technology underpins our business operations and the client, employee and advisor experience. As a result, we are exposed to cyber security risks such as identity theft, compromise of technology systems and malicious software attacks. Globally, the volume of these activities has increased and could compromise confidential information of the Company and its clients or other stakeholders and result in other negative consequences including lost revenue, litigation, regulatory scrutiny or reputational damage. Our technology risk management policy provides a framework for managing technology risk, alongside enterprise-wide cyber security programs, benchmarking of capabilities to sound industry practices, and threat and vulnerability assessment and response capabilities, which together provide resiliency in addressing this risk.

### Third Party Risk

This is the risk that exists due to the use of external parties to assist or wholly perform activities necessary to the operations and strategy of the business.

We regularly engage third parties to provide expertise and efficiencies that support our operational activities. Our exposure to third party risk could include reputational, regulatory and other operational risks. Policies, standard operating procedures and dedicated resources, including third party risk management, procurement and contract policies, have been developed and implemented to specifically address third party risk. We perform due diligence and monitoring activities before entering into contractual relationships with third parties and on an ongoing basis. As our reliance on third parties continues to grow, we continue to enhance resources and processes to support third party risk management.

### Model Risk

This is the risk of financial loss or reputational harm resulting from conclusions and decisions based on incorrect or misused models.

We use a variety of models to assist in: the valuation of financial instruments, operational scenario testing, management of cash flows, capital management, and assessment of potential acquisitions. These models incorporate internal assumptions, observable market inputs and available market prices. Effective controls exist over the development, implementation and application of these models. However, changes in the internal assumptions or other factors affecting the models could have an adverse effect on the Company's consolidated financial position and reputation.

### Legal and Regulatory Risk

This is the risk of not complying with laws, contractual agreements or regulatory requirements. These risks relate to regulation governing product distribution, investment management, accounting, reporting and communications.

The Company is subject to complex and changing legal, taxation and regulatory requirements, including the requirements of agencies of the federal, provincial and territorial governments in Canada which regulate the Company and its activities and including changes in foreign jurisdictions in which the Company or companies it invests in have operations. The Company and its subsidiaries are also subject to the requirements

of a single self-regulatory organization, the Canadian Investment Regulatory Organization (CIRO). These and other regulatory bodies regularly adopt new laws, rules, regulations and policies that apply to the Company and its subsidiaries. These requirements include those that apply to IGM Financial as a publicly traded company and those that apply to the Company's subsidiaries based on the nature of their activities. They include regulations related to the management and provision of financial products and services, including securities, insurance and mortgages, and other activities carried on by the Company in the markets in which it operates. Regulatory standards affecting the Company and the financial services industry are significant and continually evolve. The Company and its subsidiaries are subject to reviews as part of the normal ongoing process of oversight by the various regulators.

Failure to comply with laws, rules or regulations could lead to regulatory sanctions and civil liability, and may have an adverse reputational or financial effect on the Company. The Company manages legal and regulatory risk through its efforts to promote a strong culture of compliance. The monitoring of regulatory developments and their impact on the Company is overseen by the Regulatory Initiatives Committee chaired by the General Counsel. The Company also continues to develop and maintain compliance policies, processes and oversight, including specific communications on compliance and legal matters, training, testing, monitoring and reporting. The Audit Committee of the Board receives regular reporting on compliance initiatives and issues.

The Company promotes a strong culture of ethics and integrity through its Code of Conduct approved by the Board of Directors, which outlines standards of conduct that apply to all IGM Financial directors, officers and employees. The Code of Conduct references many policies relating to the conduct of directors, officers and employees. Other corporate policies cover anti-money laundering and privacy. Training is provided on these policies on an annual basis. Individuals subject to the Code of Conduct attest annually that they understand the requirements and have complied with its provisions.

### Privacy Risk

Privacy risk is the potential for access to, collection, use, transfer, disclosure and retention of personal information in contravention of applicable laws, regulations and/or ethical standards. We collect only the personal information that is necessary to provide our products and services to clients, and where we have consent to do so.



If we need to share personal information with third parties, we remain responsible for that information and protect it through contractual and other measures that commit the service providers to maintain levels of protection comparable to ours.

IGM Financial has established an enterprise Privacy Risk Management Framework to manage privacy risk. Our Chief Privacy Officer (CPO) leads and oversees our privacy program, partnering with cross-functional teams to develop and implement enterprise-wide policies, standards and controls regarding the handling and safeguarding of personal information. Ultimately reporting to the CPO, the enterprise privacy team works with front-line business units to address privacy matters.

Employees and advisors are required to complete mandatory privacy training at onboarding, and annually thereafter. The training includes our privacy obligations, privacy best practices, and how to prevent, handle and report privacy breaches, complaints and access to information requests.

### Contingencies

The Company is subject to legal actions arising in the normal course of its business. In December 2018, a proposed class action was filed in the Ontario Superior Court against Mackenzie Financial Corporation (Mackenzie) which alleges that the company should not have paid mutual fund trailing commissions to order execution only dealers. This action was certified in January 2024. In August 2022, a second proposed class action concerning the same subject matter was filed against Mackenzie.

In late March 2023, the Company was notified by one of our third-party vendors, InvestorCOM Inc., that they were compromised due to a cybersecurity incident related to a technology supplier to InvestorCOM, GoAnywhere. The Company has notified impacted clients and offered credit monitoring at no cost to all clients. Four proposed class actions have been filed against Mackenzie concerning this incident.

Although it is difficult to predict the outcome of any such legal actions, based on current knowledge, management does not expect the outcome of any of these matters, individually or in aggregate, to have a material adverse effect on the Company's consolidated financial position.

### People Risk

This risk refers to the potential inability to: attract or retain employees or Wealth Management advisors; have

a diverse, equitable and inclusive workforce; provide development opportunities to achieve current and future business objectives; support employee wellbeing and engagement; and sustain ongoing personnel or business succession and/or transition plans.

We manage this risk through competitive compensation and benefit offerings, training and development programs, and periodic employee and advisor surveys.

We have a Diversity, Equity and Inclusion Strategy with the purpose of driving an inclusive, equitable and consistent experience for employees, Wealth Management advisors, and clients that supports our business objectives now and into the future. To achieve the desired outcomes, we focus on three pillars of action: raising awareness; improving inclusive leadership behaviours; and building external partnerships and community engagement.

We also have a Wellness Strategy to support our employees' wellbeing with a goal to ensure our employees are physically thriving, emotionally balanced, socially connected and financially secure.

### Business Continuity Management

This is the risk that the organization cannot effectively recover and maintain critical business processes in the event of a disruption (internal, third-party, physical or natural circumstances) or respond to a crisis or emergency event.

A business continuity management program ensures the Company's critical processes function in the event of a business disruption.

The Company's crisis response plan outlines policies and procedures to address situations that could significantly impact the organization's reputation, brands or business operations. A crisis assessment team comprised of senior leadership is responsible for setting strategy, overseeing response and ensuring appropriate subject matter experts are engaged in scenario-dependent crisis response teams.

On a regular basis, the Company tests business continuity and disaster recovery plans as well as conducting crisis simulation exercises.

### 3) Strategic and Business Risk

This is the risk of potential adverse impacts resulting from factors in the external environment or related to the strategy or specific business activities of the Company.

## General Business Conditions

This risk refers to the potential for unfavourable impacts on IGM Financial resulting from competitive or other external factors relating to the marketplace.

Global economic conditions, changes in equity markets, inflation and demographics can affect investor confidence, income levels and savings. In addition, geopolitical risk, government instability, ongoing trade tensions, including tariffs and other governmental actions, and other factors can influence inflation, interest rates, global economic growth, and business conditions in markets in which the Company operates. These environments could result in reduced sales of IGM Financial's products and services and/or result in investors redeeming their investments. These factors may also affect the level and volatility of financial markets and the value of the Company's AUM, as described more fully under the Risks Related to AUM&A section of this MD&A.

To manage this risk, the Company, across its operating subsidiaries, communicates with clients and underscores the importance of financial planning across economic cycles. The Company and the industry continue to take steps to educate Canadian investors on the merits of financial planning, diversification and long-term investing. In periods of volatility, Wealth Management advisors and independent financial advisors play a key role in assisting investors in maintaining perspective and focus on their long-term objectives.

Redemption rates for long-term funds are summarized in Table 31 and are discussed in the Wealth Management and the Asset Management Segment Operating Results sections of this MD&A.

## Strategy Setting

This is the risk of failing to set or meet appropriate strategic objectives resulting in an impact on business performance.

IGM Financial believes in the importance of good corporate governance and the central role played by directors in the governance process. We believe that

sound corporate governance is essential to the well-being of the Company and our shareholders.

Oversight of IGM Financial is performed by the Board of Directors directly and through its five committees. The Company's President and Chief Executive Officer has overall responsibility for management of the Company. The Company's activities are carried out principally by two operating companies – Investors Group Inc. and Mackenzie Financial Corporation – each of which are managed by a President and Chief Executive Officer. The Company also has a strategy execution oversight function and committee that reviews and approves strategic initiative business cases and oversees progress against our strategic priorities and objectives.

The President and Chief Executive Officer of the Company, in collaboration with the Board of Directors, is responsible each year to develop, review and update the Company's strategic plan. The strategic plan sets out both the annual and longer-term objectives for the Company in light of emerging opportunities and risks and with a view to the Company's sustained profitable growth and long-term value creation. The Board is responsible for approving the Company's overall business strategy. In carrying out this responsibility, the Board reviews the short-, medium- and long-term risks associated with the strategic plan, considers the strengths and potential weaknesses of trends and opportunities, and approves the Company's annual business, financial and capital management plans. A portion of each Board meeting is dedicated to discussion of strategic matters including receiving updates on the progress and implementation of the strategic plan.

## Competitive Risk

### Product / Service Offering

This risk refers to the potential for unfavourable impacts on IGM Financial resulting from inadequate product or service performance, quality or breadth.

IGM Financial, including its subsidiaries and strategic investments, operate in a highly competitive environment, competing with other financial service

**Table 31: Twelve Month Trailing Redemption Rate for Long-term Funds**

	2024 Dec. 31	2023 Dec. 31
<b>IGM Financial Inc.</b>		
IG Wealth Management	12.6 %	12.2 %
Mackenzie	18.7 %	17.1 %

providers, investment managers and product and service types. Client development and retention can be influenced by a number of factors, including investment performance, products and services offered by competitors, relative service levels, relative pricing, product attributes, reputation and actions taken by competitors. This competition could have an adverse impact upon the Company's financial position and operating results. Please refer to The Competitive Landscape section of this MD&A for further discussion.

We provide Wealth Management advisors, independent financial advisors, as well as retail and institutional clients with a high level of service and support and a broad range of investment products, with a focus on building enduring relationships. The Company's subsidiaries also continually review their respective product and service offering and pricing to ensure competitiveness in the marketplace.

We strive to deliver strong investment performance on our products relative to benchmarks and peers. Poor investment performance relative to benchmarks or peers could reduce the level of AUM and sales and asset retention, as well as adversely impact our brands and reputation. Meaningful and/or sustained underperformance could affect the Company's results. Our objective is to cultivate investment processes and disciplines that give us a competitive advantage, and we do this by diversifying our AUM and product shelf by investment team, brand, asset class, mandate, style and geographic region. Our investment risk management policy also contains requirements aimed at addressing this risk.

#### **Business / Client Relationships**

This risk refers to the potential for unfavourable impacts on IGM Financial resulting from changes to key business or client relationships. These relationships primarily include IG Wealth Management clients and advisors, Mackenzie retail distribution, strategic and significant business partners, clients of Mackenzie funds, and sub-advisors and other product suppliers.

IG Wealth Management derives all of its investment fund sales, insurance sales, and mortgage and banking sales through its advisor network. IG Wealth Management advisors have regular direct contact with clients which can lead to a strong and personal client relationship based on the client's confidence in that individual advisor. The market for advisors is extremely competitive. The loss of a significant number of key advisors could lead to the loss of client accounts which could have

an adverse effect on IG Wealth Management's results of operations and business prospects, as well as our culture and ability to attract key advisors. IG Wealth Management is focused on strengthening its distribution network of advisors and on responding to the complex financial needs of its clients by delivering a diverse range of products and services in the context of personalized financial advice.

Mackenzie derives the majority of its mutual fund sales through third party financial advisors. Financial advisors generally offer their clients investment products in addition to, and in competition with Mackenzie. Mackenzie also derives sales of its investment products and services from its strategic alliance and institutional clients. Due to the nature of the distribution relationship in these relationships and the relative size of these accounts, gross sale and redemption activity can be more pronounced in these accounts than in a retail relationship. Mackenzie's ability to market its investment products is highly dependent on continued access to these distribution networks. Lack of access could have a material adverse effect on Mackenzie's operating results and business prospects. Mackenzie is well positioned to manage this risk and to continue to build and enhance its distribution relationships. Mackenzie's diverse portfolio of financial products and its long-term investment performance record, marketing, educational and service support has made Mackenzie one of Canada's leading investment management companies. These factors are discussed further in the Asset Management Review of the Business section of this MD&A.

#### **Regulatory Development Risk**

This is the potential for changes to regulatory, legal, or tax requirements that may have an adverse impact on the Company's business activities or financial results.

We are exposed to the risk of changes in laws, taxation and regulation that could have an adverse impact on the Company, including changes in foreign jurisdictions in which the Company or companies it invests in have operations. Particular regulatory initiatives may have the effect of making the products of the Company's subsidiaries appear to be less competitive than the products of other financial service providers, to third party distribution channels and to clients. Regulatory differences that may impact the competitiveness of the Company's products include regulatory costs, tax treatment, disclosure requirements, transaction processes or other differences that may be as a result of differing regulation or application of regulation. Regulatory developments

may also impact product structures, pricing, and dealer and advisor compensation. While the Company and its subsidiaries actively monitor such initiatives, and where feasible comment upon or discuss them with regulators, the ability of the Company and its subsidiaries to mitigate the imposition of differential regulatory treatment of financial products or services is limited.

The Company continuously monitors regulatory developments, guidance and communications.

### **Acquisition Risk**

This risk refers to the potential that desired objectives are not attained from the Company's acquisitions and strategic investments. The Company undertakes thorough due diligence prior to completing an acquisition, but there is no assurance that the Company will achieve the expected strategic objectives or cost and revenue synergies subsequent to an acquisition. Subsequent changes in the economic environment and other unanticipated factors may affect the Company's ability to achieve expected earnings growth or expense reductions. The success of an acquisition and of the Company's strategic investments is dependent on retaining AUM, clients, and key employees of an acquired company.

### **Natural or Human Caused Disasters**

This is the risk that events such as earthquakes, floods, fire, tornadoes, pandemics, or terrorism could adversely affect the Company's financial performance.

Catastrophic events can cause economic uncertainty, affect investor confidence, income levels and financial planning decisions. This could affect the level and volatility of financial markets and the level of the Company's AUM&A. The Company has an insurance review process where it assesses and determines the nature and extent of insurance that is appropriate to provide adequate protection against unexpected losses, and where it is required by law, regulators or contractual agreements.

### **Environmental and Social Risk**

This is the potential for financial loss or other unfavourable impacts resulting from the Company's inability to manage or respond to changing environmental or social (E&S) issues connected to our business operations, investment activities, meeting our sustainability commitments, and increasingly for regulatory compliance. We recognize that E&S risks can

be within our operations or impact stakeholders along our supply chain, including clients, investee companies and suppliers.

The regulatory landscape for sustainability and climate-related matters is rapidly evolving. In December 2024, the Canadian Sustainability Standards Board (CSSB) released its final voluntary Canadian Sustainability Disclosure Standards, mostly aligned to those of the International Sustainability Standards Board (ISSB). The final Canadian Securities Administrators rules will determine the applicability for IGM Financial.

Given the diverse perspectives of our stakeholders and communities on environmental and social (E&S) issues, our actions or inactions in managing these matters may be viewed unfavorably by some. This could potentially elevate our E&S risks.

Environmental risks include issues such as climate change, biodiversity and land use, pollution, waste, and the unsustainable use of energy, water and other resources. Social risks include issues such as human rights; labour standards; diversity, equity and inclusion; Indigenous reconciliation; and community impacts.

IG Wealth Management and Mackenzie Investments, and their investment sub-advisors, are signatories to the Principles for Responsible Investment (PRI). Under the PRI, investors formally commit to incorporate environmental, social and governance (ESG) issues into their investment decision making and active ownership processes. In addition, our operating companies have implemented Sustainable Investment Policies outlining the practices at each company.

IGM Financial reports annually on sustainability management and performance in its Sustainability Report available on our website and is a long-standing participant in the CDP (formerly Carbon Disclosure Project), which promotes corporate disclosures on greenhouse gas emissions and climate change management including setting and monitoring emission reduction targets. These disclosures are informed by internationally recognized standards and frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD), The Sustainability Accounting Standards Board (SASB), and the Global Reporting Initiative (GRI).

#### **Governance**

Our Board is responsible for providing oversight on risk and strategy, which includes sustainability and climate-

related matters. The Board meets with management at least annually to discuss plans and emerging ESG issues.

Through its Risk Committee, the Board is responsible for ensuring that material ESG and climate-related risks are appropriately identified, managed and monitored. Its responsibilities include ensuring that appropriate procedures are in place to identify and manage E&S risks and establish risk tolerances; ensuring that appropriate policies, procedures and controls are implemented to manage risks; and reviewing the risk management process on a regular basis to confirm that it is functioning effectively.

Senior management at each of our operating companies have primary ownership and accountability for the ongoing E&S risk and opportunity management associated with their respective activities. The Company's Executive Risk Management Committee is responsible for oversight of the risk management process, including E&S risks. The Executive Sustainability Committee is responsible for ensuring central management governance for sustainability across IGM, including policy and strategy, goals and targets, measuring progress, and reviewing public reports and disclosures. Our Chief Risk Officer oversees implementation of the Corporate Sustainability and Risk Management programs, reporting into the President and Chief Executive Officer. The Chief Financial Officer is responsible for financial reporting including oversight for any future sustainability-related financial disclosures.

Other management committees and working groups also oversee E&S-related governance across the Company.

## **Climate Risk**

### *Strategy*

Climate-related risks and opportunities are identified and assessed within IGM Financial through our business planning processes which define our strategic priorities, initiatives and budgets.

We are focused on meeting growing demand for sustainable investing and the opportunity to invest in the transition to a net-zero economy. We are also increasing our focus on educating and communicating with clients and advisors on sustainable investing and climate change.

As such, IGM Financial's updated Sustainability Strategy highlights *Action on Climate* as one of the 3 focus areas. Through IGM Financial's wealth and asset management businesses, this strategy focuses on investing in long-term climate solutions to support a low carbon future.

Our operating companies are active participants in collaborative industry groups that support our climate commitments by engaging companies on improving climate change governance, reducing emissions and strengthening climate-related financial disclosures.

At Mackenzie Investments, sustainable investing is an area of strategic emphasis, and we have established a dedicated team within Mackenzie's Sustainability Centre of Excellence who bring focus to ESG and climate within asset management. Mackenzie has expanded its suite of funds investing to directly support the transition to a low-carbon economy through its acquisition of Greenchip, an investment boutique which is exclusively focused on thematic investing to combat climate change; Northleaf Capital Partners, a private equity investment firm that holds renewable energy infrastructure investments; the launch of the Betterworld team in 2021, that invests in companies making a positive impact on the people and the planet, and funds prioritizing sustainability and ESG-labelled debt, including green bonds.

IG Wealth Management has integrated environmental and climate issues into its sub-advisory selection and oversight processes, and product development strategy. In 2021, IG Wealth Management launched its Climate Action Portfolios, a suite of four diversified managed solutions which aim to provide clients with the opportunity to support and benefit from the global transition to net zero emissions.

We have implemented tools for our investment funds to enhance our quantitative assessment of climate risks and opportunities by analyzing emissions and other climate-related information at the investee company, asset class and portfolio levels. This system enables us to model potential transition pathways and track our portfolios against the goal of limiting global warming to 2°C above pre-industrial levels and examine the adequacy of emissions reductions over time in meeting the goals of the Paris Agreement. We are exploring scenario analysis tools with external data providers to support us in our efforts to run climate-related scenario analysis across our business.

### *Risk Management*

Climate risk is captured under strategic and business risks, but we recognize the relationship of climate risk to other risks.

Our climate risks relate primarily to the potential for physical or transition risks to: negatively affect the performance of our clients' investments, resulting in reduced fee revenue; harm our reputation; create market

risks through shifts in product demand; or lead to new regulatory, legal or disclosure requirements that could affect our business. Diversification within and across our investment portfolios aids in managing exposure to any one company, sector or geographic region that might be exposed to climate-related risks. We are also exposed to the impact of extreme weather events on our corporate properties which could lead to business disruption, and on the valuations of investment properties and client mortgages, which if not addressed proactively, could affect financial performance and the ability to use the assets long-term.

Our operating companies are committed to sustainable investing programs and policies that include a focus on climate risk.

We provide data and tools for our investment teams to carry out current and forward-looking climate analysis and we integrate material climate risks into our investment and oversight processes for investment management sub-advisors. As part of the hiring process and ongoing assessment of sub-advisors, our teams request information about how ESG, including climate risks and opportunities, is resourced, what processes and tools are used, metrics and targets, and how strategy and governance are influenced. As we continue to develop our climate-related financial disclosures, we are devoting increased resources to areas such as training, analysis, metrics, target-setting, strategy planning and working with collaborative organizations.

At Mackenzie Investments, each boutique investment team is responsible for determining when and how climate transition and physical risks are material, and for incorporating these risks into their investment process. We have focused on developing resources and tools to assess climate-related risks and opportunities for our Mackenzie managed equity portfolios. Through these tools we can assess historical greenhouse gas emissions data and portfolio temperature alignment to identify the highest emitters and inform engagement activities with companies facing transition risks. At IG Wealth

Management, management evaluates the sustainable investing practices of investment manager sub-advisors, including the integration of climate risks into their investment and active ownership practice.

To maximize stewardship efforts, engagement at Mackenzie is undertaken through direct conversations between portfolio managers and companies/issuers; through Mackenzie firm-wide engagements; and through collaborations with peers on initiatives where the collective investor voice has more influence. At IG Wealth Management, investment management sub-advisors including Mackenzie are responsible for engagement activities and IG Wealth Management monitors their practices as part of regular due diligence and oversight.

Mackenzie Investments is a founding participant in Climate Engagement Canada and participates in CERES' Investor Network on Climate Risk. Both Mackenzie and IG Wealth Management joined Climate Action 100+ and became founding signatories to the Canadian Investor Statement on Climate Change.

#### *Metrics and Targets*

We set, monitor and report on climate change-related metrics and targets annually in our CDP response, our IGM Sustainability Report and our Mackenzie Investments Sustainable Investing report which are available on our websites. At Mackenzie, each boutique investment team is responsible for integrating ESG into its investment process, including determining appropriate GHG emissions and other metrics to assess climate-related risks and opportunities in investment strategies. The teams have access to ESG data tools and metrics to support their assessment.

We currently report Scope 1, 2 and 3 GHG emissions, where possible, including a portion of our Scope 3 investment emissions and weighted average carbon intensity. We are continuing to expand and enhance our measurement and reporting of emissions related to our investment portfolios as tools and information improves.

## The Financial Services Environment

Canadians held \$6.7 trillion in discretionary financial assets with financial institutions at December 31, 2023 based on the most recent report from Investor Economics. The nature of holdings was diverse, ranging from demand deposits held for short-term cash management purposes to longer-term investments held for retirement purposes. Approximately 60% (\$4.0 trillion) of these financial assets are held within the context of a relationship with a financial advisor, and this is the primary channel serving the longer-term savings needs of Canadians. Of the \$2.4 trillion held outside of a financial advisory relationship, approximately 61% consisted of bank deposits.

Financial advisors represent the primary distribution channel for IGM Financial's products and services, and the core emphasis of our business model is to support these financial advisors as they work with clients to plan for and achieve their financial goals. Multiple sources of emerging research show significantly better financial outcomes for Canadians who use financial advisors compared to those who do not. We actively promote the value of financial advice and the importance of a relationship with an advisor to develop and remain focused on long-term financial plans and goals.

Approximately 36% of Canadian discretionary financial assets or \$2.4 trillion resided in investment funds at December 31, 2023, making it the largest financial asset class held by Canadians. Other asset types include deposit products and direct securities such as stocks and bonds. Approximately 74% of investment funds are comprised of mutual fund products, with other product categories including segregated funds, hedge funds, pooled funds, closed end funds and exchange traded funds. With \$192 billion in investment fund AUM at December 31, 2024, IGM Financial is among the country's largest investment fund managers. We believe that investment funds are likely to remain the preferred savings vehicle of Canadians. They offer the benefits of diversification, professional management, flexibility and convenience, and are available in a broad range of mandates and structures to meet most investor requirements and preferences.

Traditional distinctions between bank branches, full-service brokerages, financial planning firms and insurance agent sales forces have become obscured as many of these financial service providers strive to offer comprehensive financial advice implemented through access to a broad product shelf. Accordingly,

the Canadian financial services industry is characterized by a number of large, diversified, vertically-integrated participants, similar to IGM Financial, that offer both financial planning and investment management services.

Canadian banks distribute financial products and services through their traditional bank branches, as well as through their full service and discount brokerage subsidiaries. Bank branches continue to place increased emphasis on both financial planning and mutual funds. In addition, each of the "big six" banks has one or more mutual fund management subsidiaries. Collectively, mutual fund assets of the "big six" bank-owned mutual fund managers and affiliated firms represented 47% of total industry long-term mutual fund assets at December 31, 2024.

The Canadian mutual fund industry continues to be very concentrated, with the 10 largest firms and their subsidiaries representing 72% of industry long-term mutual fund assets and 71% of total mutual fund AUM at December 31, 2024. We anticipate continuing consolidation in this segment of the industry as smaller participants are acquired by larger organizations.

We believe that the financial services industry will continue to be influenced by the following trends:

- Shifting demographics as the number of Canadians in their prime savings and retirement years continues to increase.
- Changes in investor attitudes based on economic conditions.
- Continued importance of the role of the financial advisor.
- Public policy related to retirement savings.
- Changes in the regulatory environment.
- A highly competitive landscape.
- Advancing and changing technology.

## The Competitive Landscape

IGM Financial's Wealth Management segment competes directly with other retail financial service providers in the advice segment, including other financial planning firms, as well as full service brokerages, banks and insurance companies. Its Asset Management segment competes directly with other investment managers for AUM. Our products compete with stocks, bonds and other asset classes for a share of clients' investment assets.

Competition from other financial service providers, alternative product types or delivery channels, and

changes in regulations or public preferences could impact the characteristics of our product and service offerings, including pricing, product structures, dealer and advisor compensation and disclosure. We monitor developments on an ongoing basis, and engage in policy discussions and develop product and service responses as appropriate.

IGM Financial continues to focus on our commitment to provide quality investment advice and financial products, service innovations, effective and responsible management of the Company and long-term value for our clients and shareholders. This includes efforts to modernize our digital platforms and technology infrastructure to enhance operations, achieve efficiencies and improve the service experience for our clients. We believe that IGM Financial is well-positioned to meet competitive challenges and capitalize on future growth opportunities.

Our competitive strength includes:

- Broad and diversified distribution through more than 35,000 financial advisors, with an emphasis on comprehensive financial planning.
- Broad product capabilities, leading brands and quality sub-advisory relationships.
- Enduring client relationships and the long-standing heritages and cultures of its subsidiaries.
- Benefits of being part of the Power Corporation group of companies.

## **Broad and Diversified Distribution**

In addition to owning one of Canada's largest financial planning organizations, IG Wealth Management, IGM Financial has, through Mackenzie, access to distribution through over 30,000 independent financial advisors. Mackenzie also, in its growing strategic alliance business, partners with global manufacturing and distribution entities to provide investment management services.

## **Broad Product Capabilities**

Our subsidiaries continue to develop and launch innovative products and strategic investment planning tools to assist advisors in building optimized portfolios for clients.

## **Enduring Client Relationships**

IGM Financial enjoys significant advantages as a result of the enduring relationships that advisors have developed with clients. In addition, our subsidiaries have strong heritages and cultures which are challenging for competitors to replicate.

## **Part of the Power Corporation Group of Companies**

As part of the Power Corporation group of companies, IGM Financial benefits through expense savings from shared service arrangements, as well as through access to distribution, products and capital.



## Critical Accounting Estimates and Policies

### Summary of Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to exercise judgment in the process of applying accounting policies and requires management to make estimates and assumptions that affect amounts reported in the Consolidated Financial Statements and accompanying notes. In applying these policies, management makes subjective and complex judgments that frequently require estimates about matters that are inherently uncertain. Many of these policies are common in the financial services industry; others are specific to IGM Financial's businesses and operations. IGM Financial's significant accounting policies are described in detail in Note 2 of the Consolidated Financial Statements.

Critical accounting estimates relate to the fair value of financial instruments, goodwill and intangibles, income taxes, capitalized sales commissions, provisions and employee benefits.

The major critical accounting estimates are summarized below:

- *Fair value of financial instruments* – The Company's financial instruments are carried at fair value, except for loans, deposits and certificates, obligations to securitization entities, and long-term debt which are all carried at amortized cost. The fair value of publicly traded financial instruments is determined using published market prices. The fair value of financial instruments where published market prices are not available, including corporate investments and derivatives related to the Company's securitized loans, are determined using various valuation models which maximize the use of observable market inputs where available. Valuation methodologies and assumptions used in valuation models are reviewed on an ongoing basis. Changes in these assumptions or valuation methodologies could result in significant changes in net earnings.
- *Goodwill and intangible assets* – Goodwill, indefinite life intangible assets, and definite life intangible assets are reflected in Note 13 of the Consolidated Financial Statements. The Company tests the fair value of goodwill and indefinite life intangible assets for impairment at least once a year and more frequently if an event or circumstance indicates the asset may be impaired. An impairment loss is recognized if the amount of the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units). Finite life intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. These tests involve the use of estimates and assumptions appropriate in the circumstances. In assessing the recoverable amounts, valuation approaches are used that include discounted cash flow analysis and application of capitalization multiples to financial and operating metrics based upon precedent acquisition transactions and trading comparables. Assumptions and estimates employed include future changes in AUM resulting from net sales and investment returns, pricing and profit margin changes, discount rates, and capitalization multiples. The Company completed its annual impairment tests of goodwill and indefinite life intangible assets as at April 1, 2024 financial information and determined there was no impairment in the value of those assets.
- *Income taxes* – The provision for income taxes is determined on the basis of the anticipated tax treatment of transactions recorded in the Consolidated Statements of Earnings. The determination of the provision for income taxes requires interpretation of tax legislation in a number of jurisdictions. Tax planning may allow the Company to record lower income taxes in the current year and income taxes recorded in prior years may be adjusted in the current year to reflect management's best estimates of the overall adequacy of its provisions. Any related tax benefits or changes in management's best estimates are reflected in the provision for income taxes. The recognition of deferred tax assets depends on management's assumption that future earnings will be sufficient to realize the future benefit. The amount of the deferred tax asset or liability recorded is based on management's best estimate of the timing of the realization of the assets or liabilities. If our interpretation of tax legislation differs from that of the tax authorities or if timing of reversals is not as anticipated, the provision for income taxes could increase or decrease

in future periods. Additional information related to income taxes is included in the Summary of Consolidated Operating Results in this MD&A and in Note 17 to the Consolidated Financial Statements.

- *Capitalized sales commissions* – Commissions paid directly by the client based upon the level of new assets contributed to client accounts at IG Wealth Management are deferred and amortized over a maximum period of seven years. The Company regularly reviews the carrying value of capitalized sales commissions with respect to any events or circumstances that indicate impairment. Among the tests performed by the Company to assess recoverability is the comparison of the future economic benefits derived from the capitalized sales commission asset in relation to its carrying value. At December 31, 2024, there were no indications of impairment to capitalized sales commissions.
- *Provisions* – A provision is recognized when there is a present obligation as a result of a past transaction or event, it is "probable" that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the obligation. In determining the best estimate for a provision, a single estimate, a weighted average of all possible outcomes, or the midpoint where there is a range of equally possible outcomes are all considered. A significant change in assessment of the likelihood or the best estimate may result in additional adjustments to net earnings.
- *Employee benefits* – The Company maintains a number of employee benefit plans. These plans include a funded registered defined benefit pension plan (RPP) for all eligible employees, unfunded supplementary executive retirement plans for certain executive officers (SERPs) and an unfunded post-employment health care and life insurance plan for eligible retirees. The funded registered defined benefit pension plan provides pensions based on length of service and final average earnings. The measurement date for the Company's defined benefit pension plan assets and for the accrued benefit obligations on all defined benefit plans is December 31.

Due to the long-term nature of these plans, the calculation of the accrued benefit asset or liability depends on various assumptions including discount rates, rates of return on assets, the level and types of benefits provided, healthcare cost trend rates, projected salary increases, retirement age, mortality

and termination rates. The discount rate assumption is determined using a yield curve of AA corporate debt securities. All other assumptions are determined by management and reviewed by independent actuaries who calculate the pension and other future benefits expenses and accrued benefit obligations. Actual experience that differs from the actuarial assumptions will result in actuarial gains or losses as well as changes in benefits expense. The Company records actuarial gains and losses on all of its defined benefit plans in Other comprehensive income.

Discount rates have increased since December 31, 2023. The discount rate on the Company's RPP at December 31, 2024 was 4.75% compared to 4.65% at December 31, 2023. The pension plan assets increased to \$593.7 million at December 31, 2024 from \$536.0 million at December 31, 2023 due to market appreciation. The total defined benefit pension plan obligation increased to \$476.2 million at December 31, 2024 from \$474.4 million at December 31, 2023. The defined benefit pension plan had an accrued benefit asset of \$117.4 million at December 31, 2024 compared to an accrued benefit asset of \$61.6 million at December 31, 2023. Actuarial gains or losses recorded in Other comprehensive income, including the defined benefit pension plan, the SERPs and post-employment benefit plans, were gains of \$65.7 million (\$48.1 million after tax) for the twelve months ended December 31, 2024.

A decrease of 0.25% in the discount rate utilized in 2024 would result in a change of \$20.0 million in the accrued pension obligation, \$18.1 million in other comprehensive income, and \$1.9 million in pension expense. Additional information regarding the Company's accounting and sensitivities related to pensions and other post-retirement benefits is included in Notes 2 and 16 of the Consolidated Financial Statements.

## Changes in Accounting Policies

### IAS 12 *Income Taxes*

The Company adopted the amendments to IFRS for IAS 12 *Income Taxes* and has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two model rules published by the Organization for Economic Co-operation and Development (OECD).

## Future Accounting Changes

The Company continuously monitors the changes proposed by the International Accounting Standards Board (IASB) and analyzes the effect that changes in the standards may have on the Company's operations.

### **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Amendments**

In May 2024, the IASB issued amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*. The amendments introduce additional disclosures intended to enhance transparency around changes in fair value of equity instruments designated at FVTOCI, and clarify the timing of derecognition for financial liabilities settled through electronic payment systems.

These amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. The Company is evaluating the impact of the adoption of these amendments.

### **IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* (IFRS 18). IFRS 18, which replaces IAS 1 *Presentation of Financial Statements* introduces new requirements to present specified categories and defined subtotals in the statement of earnings, new disclosure for management-defined performance measures, and additional requirements for aggregation and disaggregation of information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Company is evaluating the impact of the adoption of this standard.

### **Other**

The IASB is currently undertaking a number of projects which will result in changes to existing IFRS standards that may affect the Company. Updates will be provided as the projects develop.

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## Disclosure Controls and Procedures

The Company's disclosure controls and procedures are designed to provide reasonable assurance that (a) material information relating to the Company is made known to the President and Chief Executive Officer and the Chief Financial Officer by others, particularly during the period in which the annual filings are being prepared, and (b) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized

and reported within the time periods specified in securities legislation.

The Company's management, under the supervision of the President and Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures. Based on their evaluations as of December 31, 2024, the President and Chief Executive Officer and the Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective.

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## Internal Control Over Financial Reporting

The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting.

All internal control systems have inherent limitations and may become inadequate because of changes in conditions. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Company's management, under the supervision of the President and Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the Company's internal control over financial reporting based on the Internal Control – Integrated Framework (COSO 2013 Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission. The Company transitioned to the COSO 2013 Framework during 2014. Based on their evaluations as of December 31, 2024, the President and Chief Executive Officer and the Chief Financial Officer have concluded

that the Company's internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Notwithstanding the above, during the fourth quarter of 2024, there have been no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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## Other Information

### Transactions with Related Parties

IGM Financial enters into transactions with Canada Life, which is a subsidiary of its affiliate, Lifeco, which is a subsidiary of Power. These transactions are in the normal course of operations and have been recorded at fair value:

- During 2024 and 2023, the Company provided to and received from Canada Life certain administrative services enabling each organization to take advantage of economies of scale and areas of expertise.
- The Company distributes insurance products under a distribution agreement with Canada Life and received \$60.4 million in distribution fees (2023 – \$51.7 million). The Company received \$62.0 million (2023 – \$59.8 million) and paid \$5.3 million (2023 – \$19.6 million) to Canada Life and related subsidiary companies for the provision of sub-advisory services for certain investment funds.

After obtaining advanced tax rulings in 2024, the Company agreed to a tax loss consolidation transaction with a subsidiary of Power whereby shares of an affiliate that has generated tax losses was acquired on December 20, 2024. The Company recognized the benefit of the tax losses realized in the fourth quarter of 2024.

On November 30, 2023, the Company completed the sale of 100% of IPC to Canada Life.

On January 12, 2023, the Company acquired an additional interest in ChinaAMC from Power and sold a portion of its investment in Lifeco to Power.

The acquisition and sale transactions were recorded at fair value.

For further information on transactions involving related parties, see Notes 3, 10 and 28 to the Company's Consolidated Financial Statements.

### Outstanding Share Data

Outstanding common shares of IGM Financial as at December 31, 2024 totalled 237,878,838. Outstanding stock options as at December 31, 2024 totalled 8,026,118 of which 4,786,815 were exercisable. As at January 31, 2025, outstanding common shares totalled 237,389,346 and outstanding stock options totalled 7,833,110 of which 4,593,807 were exercisable.

### SEDAR

Additional information relating to IGM Financial, including the Company's most recent financial statements and Annual Information Form, is available at [www.sedarplus.ca](http://www.sedarplus.ca).