

Readers are referred to the disclaimer regarding Forward-Looking Statements, Non-IFRS Financial Measures and Additional IFRS Measures at the end of this Release.

## IGM FINANCIAL INC. REPORTS SECOND QUARTER EARNINGS

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**Winnipeg – August 6, 2020:** IGM Financial Inc. (IGM or the Company) (TSX:IGM) today announced earnings results for the second quarter of 2020.

### IGM HIGHLIGHTS

- Net earnings of \$183.5 million or 77 cents per share compared to 2019 second quarter net earnings of \$185.1 million or 77 cents per share and adjusted net earnings, excluding other items,<sup>1</sup> of \$193.1 million or 81 cents per share.
- A quarterly common share dividend of \$0.5625 per share was declared in the second quarter of 2020, maintained from the prior quarter.
- Assets under management at June 30, 2020 were \$165.4 billion, an increase of 12.1% from March 31, 2020 and down slightly from the quarter-end record high of \$166.8 billion at December 31, 2019.
- Total net sales were \$3.4 billion, compared to net redemptions of \$544 million in the second quarter of 2019. Investment fund net sales were \$864 million, compared to net redemptions of \$364 million in the second quarter of 2019.

“IGM Client investment returns of 9.7% in the second quarter reflected the largest quarterly gain in the last decade and highlighted the importance of financial planning throughout market cycles,” said Jeffrey R. Carney, President and Chief Executive Officer of IGM Financial Inc. “Our assets under management increased by 12.1% in the quarter to near record high levels, with net sales activity of \$3.4 billion which reflects year-over-year improvements across our organizations.”

Net earnings available to common shareholders for the six months ended June 30, 2020 were \$344.4 million or \$1.45 per share compared to \$352.6 million or \$1.47 per share for 2019. Adjusted net earnings available to common shareholders, excluding other items,<sup>1</sup> for the six months ended June 30, 2019 were \$360.6 million or \$1.50 per share.

### **COVID-19**

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

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

## **IG WEALTH MANAGEMENT**

**Assets under management and administration** - Investment fund assets under management at June 30, 2020 were \$89.5 billion, an increase of 9.3% from \$81.9 billion at March 31, 2020 and a decrease of 0.7% from \$90.2 billion at June 30, 2019. Assets under administration at June 30, 2020 were \$93.6 billion, an increase of 9.0% from \$86.0 billion at March 31, 2020 and down slightly from \$93.7 billion at June 30, 2019.

**Net client flows** - Net client outflows for the second quarter of 2020 were \$62 million, an improvement from net client outflows of \$500 million in 2019. Net client inflows for the six month period were \$319 million, an improvement from net client outflows of \$438 million in 2019.

**Investment fund net redemptions** - Investment fund net redemptions for the second quarter were \$133 million compared to net redemptions of \$537 million a year ago. Investment fund net redemptions for the six month period were \$183 million compared to net redemptions of \$551 million a year ago.

**Investment fund sales** - Investment fund sales for the second quarter of 2020 were \$1.8 billion, down 13.0% from 2019 second quarter sales of \$2.0 billion. Investment fund sales for the six months ended June 30, 2020 increased 1.6% to \$4.5 billion, compared to \$4.4 billion in the prior year.

## **MACKENZIE INVESTMENTS**

**Investment fund assets under management at an all-time high** - Mutual fund assets under management were \$60.1 billion and ETF assets were \$6.6 billion at June 30, 2020, resulting in consolidated investment fund assets under management of \$66.7 billion, an increase of 11.8% from \$57.8 billion at March 31, 2020 and an increase of 5.2% from \$61.4 billion at June 30, 2019. Mackenzie's total assets under management at June 30, 2020 were \$73.2 billion, an increase of 16.0% from \$63.1 billion at March 31, 2020 and an increase of 6.7% from \$68.6 billion at June 30, 2019.

**Mutual fund sales** - Mutual fund sales for the second quarter were \$2.5 billion, consistent with the second quarter of 2019. Mutual fund net sales for the second quarter were \$376 million<sup>2</sup> compared to net sales of \$207 million in 2019.

**Investment fund net sales highest second quarter** - Net sales for the second quarter were \$1.1 billion,<sup>2</sup> compared to \$284 million in 2019. Net sales for the six month period were \$2.1 billion<sup>2</sup> compared to net sales of \$660 million a year ago.

**ETF business** - ETF net creations were \$937 million in the second quarter and assets under management totalled \$6.6 billion at June 30, 2020, up from \$3.5 billion at June 30, 2019.

## **DIVIDENDS**

The Board of Directors has declared a dividend of 56.25 cents per share on the Company's common shares which is payable on October 30, 2020 to shareholders of record on September 30, 2020.

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<sup>1</sup> Other items for the three and six months ended June 30, 2019 of \$8.0 million represented the Company's proportionate share in Great-West Lifeco Inc.'s after-tax loss on the sale of its United States individual life insurance and annuity business.

<sup>2</sup> During 2020, institutional clients, which include Mackenzie mutual funds within their investment offerings, made fund allocation changes which resulted in sales and net sales of \$109 million for the second quarter and sales of \$482 million and net sales of \$290 million for the six month period.

## **FORWARD-LOOKING STATEMENTS**

*Certain statements in this Release, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect IGM Financial's current expectations. Forward-looking statements are provided to assist the reader in understanding the Company's financial position and results of operations as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future. Readers are cautioned that such statements may not be appropriate for other purposes. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Company, as well as the outlook for North American and international economies, for the current fiscal year and subsequent periods. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "seeks", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could".*

*This information is based upon certain material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking statements, including the perception of historical trends, current conditions and expected future developments, as well as other factors that are believed to be appropriate in the circumstances. 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, strategic goals and priorities will not be achieved.*

*A variety of material factors, many of which are beyond the Company's and its subsidiaries' control, affect the operations, performance and results of the Company, and its subsidiaries, and their businesses, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to: the impact 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, business competition, technological change, changes in government regulations and legislation, changes in tax laws, 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' 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 filed with the securities regulatory authorities in Canada, available at [www.sedar.com](http://www.sedar.com).*

## **NON-IFRS FINANCIAL MEASURES AND ADDITIONAL IFRS MEASURES**

*This release contains non-IFRS financial measures and additional IFRS measures. Net earnings available to common shareholders, which is an additional measure in accordance with International Financial Reporting Standards (IFRS), may be subdivided into two components consisting of:*

- *Adjusted net earnings available to common shareholders; and*
- *Other items, which include the after-tax impact of any item that management considers to be of a non-recurring nature or that could make the period-over-period comparison of results from operations less meaningful.*

*Terms by which non-IFRS financial measures are identified include but are not limited to “adjusted net earnings available to common shareholders”, “adjusted earnings per share”, “adjusted return on average common equity” and other similar expressions used to provide management and investors with additional measures to assess earnings performance. However, non-IFRS financial measures do not have standard meanings prescribed by IFRS and are not directly comparable to similar measures used by other companies. Please refer to the attached Financial Highlights for the appropriate reconciliations of these non-IFRS financial measures to measures prescribed by IFRS.*

*Terms by which additional IFRS measures are identified include “earnings before income taxes” and “net earnings available to common shareholders”. Additional IFRS measures are used to provide management and investors with additional measures to assess earnings performance. These measures are considered additional IFRS measures as they are in addition to the minimum line items required by IFRS and are relevant to an understanding of the entity’s financial performance.*

## **SECOND QUARTER WEBCAST AND CONFERENCE CALL**

IGM Financial Inc.’s Second Quarter 2020 results conference call and webcast will be held on Thursday, August 6, 2020 at 1:00 p.m. ET. The webcast and conference call can be accessed respectively through [www.igmfinancial.com](http://www.igmfinancial.com) or by phone at **1-800-319-4610** or **416-915-3239**.

The most recent Consolidated Financial Statements and Management’s Discussion and Analysis (MD&A) of operating results are available on IGM Financial Inc.’s website at [www.igmfinancial.com](http://www.igmfinancial.com).

## **ABOUT IGM FINANCIAL INC.**

*IGM Financial Inc. is one of Canada's leading diversified wealth and asset management companies with approximately \$171 billion in total assets under management at July 31, 2020. The company provides a broad range of financial and investment planning services to help more than two million Canadians meet their financial goals. Its activities are carried out principally through IG Wealth Management, Mackenzie Investments and Investment Planning Counsel.*

*A MEMBER OF THE POWER CORPORATION GROUP OF COMPANIES.*

## **FOR MORE INFORMATION CONTACT:**

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**IGM FINANCIAL INC.****Consolidated Statements of Earnings***(unaudited)**(in thousands of Canadian dollars,  
except per share amounts)*

	Three months ended June 30		Six months ended June 30	
	2020	2019	2020	2019
<b>Revenues</b>				
Management and advisory fees	\$ 539,977	\$ 567,422	\$ 1,102,056	\$ 1,112,646
Administration fees	96,405	104,128	198,288	205,827
Distribution fees	80,508	94,235	169,078	183,509
Net investment income and other	15,228	17,859	24,714	38,092
Proportionate share of associates' earnings	43,379	20,264	63,424	52,914
	<b>775,497</b>	<b>803,908</b>	<b>1,557,560</b>	<b>1,592,988</b>
<b>Expenses</b>				
Commission	256,764	275,853	526,748	550,519
Non-commission	259,860	259,651	535,722	534,089
Interest	27,470	27,648	54,777	52,864
	<b>544,094</b>	<b>563,152</b>	<b>1,117,247</b>	<b>1,137,472</b>
Earnings before income taxes	231,403	240,756	440,313	455,516
Income taxes	47,861	55,632	95,895	100,676
<b>Net earnings</b>	<b>183,542</b>	<b>185,124</b>	<b>344,418</b>	<b>354,840</b>
Perpetual preferred share dividends	-	-	-	2,213
<b>Net earnings available to common shareholders</b>	<b>\$ 183,542</b>	<b>\$ 185,124</b>	<b>\$ 344,418</b>	<b>\$ 352,627</b>
Earnings per share (in dollars)				
- Basic	\$ 0.77	\$ 0.77	\$ 1.45	\$ 1.47
- Diluted	\$ 0.77	\$ 0.77	\$ 1.45	\$ 1.47

**IGM FINANCIAL INC.**
**Financial Highlights**

(unaudited)	For the three months ended June 30			As at and for the six months ended June 30		
	2020	2019	Change	2020	2019	Change
<b>Net earnings available to common shareholders</b> (\$ millions)						
Net Earnings	\$ 183.5	\$ 185.1	(0.9) %	\$ 344.4	\$ 352.6	(2.3) %
Adjusted Net Earnings <sup>(1)</sup>	183.5	193.1	(5.0)	344.4	360.6	(4.5)
<b>Diluted earnings per share</b>						
Net Earnings	0.77	0.77	-	1.45	1.47	(1.4)
Adjusted Net Earnings <sup>(1)</sup>	0.77	0.81	(4.9)	1.45	1.50	(3.3)
<b>Return on equity</b>						
Net Earnings				15.0%	16.0%	
Adjusted Net Earnings <sup>(1)</sup>				15.0%	16.4%	
<b>Dividends per share</b>	<b>0.5625</b>	0.5625	-	<b>1.125</b>	1.125	-
<b>Total assets under management</b> <sup>(2)</sup> (\$ millions)				<b>\$ 165,395</b>	\$ 162,328	1.9 %
<b>Investment funds assets under management</b> <sup>(2)</sup>				<b>\$ 157,838</b>	\$ 156,301	1.0 %
<b>IG Wealth Management Investment funds</b> <sup>(3)</sup>				<b>89,533</b>	90,176	(0.7)
<b>Mackenzie</b>						
Mutual funds				60,132	58,864	
ETFs				6,642	3,454	
Inter-product eliminations <sup>(2)</sup>				(2,195)	(923)	
Investment funds				64,579	61,395	
Sub-advisory, institutional and other accounts				8,644	7,213	
<b>Total</b>				<b>73,223</b>	68,608	6.7
<b>Investment Planning Counsel Investment funds</b> <sup>(3)</sup>				<b>5,041</b>	5,396	(6.6)
<b>Net Sales</b>						
(\$ millions)						
	IG Wealth Management	Mackenzie Investments	Investment Planning Counsel	Intercompany Eliminations	Total <sup>(2)</sup>	
For the three months ended June 30, 2020						
Mutual funds <sup>(3)</sup>	\$ (133)	\$ 376	\$ (60)	\$ -	\$ 183	
ETFs	-	937	-	-	937	
Inter-product eliminations <sup>(2)</sup>	-	(236)	-	(20)	(256)	
<b>Investment funds</b>	<b>(133)</b>	<b>1,077</b>	<b>(60)</b>	<b>(20)</b>	<b>864</b>	
Sub-advisory, institutional and other accounts	-	2,516	-	26	2,542	
<b>Total</b>	<b>(133)</b>	<b>3,593</b>	<b>(60)</b>	<b>6</b>	<b>3,406</b>	
For the six months ended June 30, 2020						
Mutual funds <sup>(3)</sup>	\$ (183)	\$ 731	\$ (141)	\$ -	\$ 407	
ETFs	-	1,952	-	-	1,952	
Inter-product eliminations <sup>(2)</sup>	-	(614)	-	(575)	(1,189)	
<b>Investment funds</b>	<b>(183)</b>	<b>2,069</b>	<b>(141)</b>	<b>(575)</b>	<b>1,170</b>	
Sub-advisory, institutional and other accounts	-	2,318	-	138	2,456	
<b>Total</b>	<b>(183)</b>	<b>4,387</b>	<b>(141)</b>	<b>(437)</b>	<b>3,626</b>	

<sup>(1)</sup> Non-IFRS Financial Measures:

2019 adjusted net earnings excluded a one-time loss of \$8.0 million representing the Company's proportionate share in Great-West Lifeco Inc.'s after-tax loss on the sale of substantially all of its U.S. individual life insurance and annuity business.

<sup>(2)</sup> Consolidated results eliminate double counting where business is reflected within multiple segments:

- Included with Mackenzie's results were advisory mandates to other segments with total assets under management of \$2.4 billion at June 30, 2020 (2019 - \$1.9 billion) and total net redemptions of \$6 million for the second quarter of 2020 and total net sales of \$437 million for the six month period.

- Included in ETFs are mutual fund investments in ETFs totalling \$2.2 billion at June 30, 2020 (2019 - \$923 million) and net sales of \$236 million for the second quarter of 2020 and \$614 million for the six month period.

<sup>(3)</sup> Includes separately managed accounts.