

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 THIRD QUARTER EARNINGS

Winnipeg – November 5, 2020: IGM Financial Inc. (IGM or the Company) (TSX:IGM) today announced earnings results for the third quarter of 2020.

IGM HIGHLIGHTS

- Net earnings of \$190.9 million or 80 cents per share compared to \$202.5 million or 85 cents per share in the third quarter 2019.
- Adjusted net earnings, excluding other items,¹ of \$214.2 million or 90 cents per share compared to \$202.5 million or 85 cents per share in the third quarter 2019. This represents a 5.9% increase in earnings per share, a 16.9% increase from the second quarter of 2020 and is the second highest adjusted earnings per share in the history of the Company.
- A quarterly common share dividend of \$0.5625 per share was declared in the third quarter of 2020, maintained from the prior quarter.
- Record high assets under management and advisement of \$196.4 billion, up 4.3% from June 30, 2020 and 6.1% from September 30, 2019.
- Net inflows were \$408 million compared to net outflows of \$1.1 billion in the third quarter of 2019.
- Investment fund net sales were \$610 million compared to net sales of \$103 million in the third quarter of 2019.

“Our record level of assets under management and advisement of \$196.4 billion in the quarter reflects strong net sales activity as well as continued positive investment returns for our clients,” said James O’Sullivan, President and Chief Executive Officer of IGM Financial Inc. “We continued to execute on our strategic initiatives in the quarter with the announcement of several partnerships with industry leading firms to assist in our five year transformation initiative to modernize our digital platforms and technology infrastructure.”

Net earnings available to common shareholders for the nine months ended September 30, 2020 were \$535.3 million or \$2.25 per share compared to \$555.1 million or \$2.32 per share for 2019. Adjusted net earnings available to common shareholders, excluding other items,¹ for the nine months ended September 30, 2020 were \$558.6 million or \$2.34 per share compared to \$563.1 million or \$2.35 per share for 2019.

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.

WEALTH MANAGEMENT

Reflects the activities of operating companies that are principally focused on providing financial planning and related services to Canadian household and includes the activities of IG Wealth Management and Investment Planning Counsel.

Adjusted EBIT in the third quarter of 2020 was \$187.0 million and represented 62.2% of IGM's adjusted EBIT. This was a decrease of 6.1% compared to the third quarter of 2019 and an increase of 17.5% compared to the second quarter of 2020.

Assets under advisement - Assets under advisement at September 30, 2020 were \$125.0 billion, an increase of 3.8% from \$120.5 billion at June 30, 2020 and an increase of 2.7% from \$121.7 billion at September 30, 2019.

IG Wealth Management

Assets under advisement - Assets under advisement at September 30, 2020 were at an all time high of \$97.5 billion, an increase of 3.9% from \$93.8 billion at June 30, 2020 and an increase of 3.2% from \$94.5 billion at September 30, 2019.

Gross client inflows for the third quarter of 2020 were \$2.1 billion consistent with gross inflows of \$2.2 billion in 2019.

Net client outflows for the third quarter of 2020 were \$9 million, an improvement from net client outflows of \$233 million in 2019. Net client inflows for the nine month period were \$310 million, an improvement from net client outflows of \$671 million in 2019.

ASSET MANAGEMENT (MACKENZIE INVESTMENTS)

Reflects the activities of operating companies primarily focused on providing investment management services, and represents the operations of Mackenzie Investments.

Adjusted EBIT in the third quarter of 2020 was \$70.5 million and represented 23.5% of IGM's adjusted EBIT. This was an increase of 16.7% compared to the third quarter of 2019 and an increase of 28.9% compared to the second quarter of 2020.

Total assets under management were at an all-time high of \$147.3 billion, an increase of 4.5% from \$141.0 billion at June 30, 2020 and an increase of 6.0% from \$139.0 billion at September 30, 2019. Assets under management excluding sub-advisory to the Wealth Management segment was \$74.6 billion at September 30, 2020, an increase of 5.3% from \$70.8 billion at June 30, 2020 and an increase of 12.4% from \$66.4 billion at September 30, 2019.

Total net sales were \$627 million in the third quarter of 2020 compared to total net redemptions of \$678 million in 2019.

Investment fund net sales highest third quarter - Net sales for the third quarter were \$946 million,² compared to \$454 million in 2019. Net sales for the nine month period were \$2.4 billion² compared to net sales of \$1.0 billion a year ago.

Mutual fund sales - Mutual fund sales for the third quarter were \$2.9 billion,² an increase of 28.9% from \$2.3 billion in the third quarter of 2019. Mutual fund net sales for the third quarter were \$849 million² compared to net sales of \$139 million in 2019.

ETF business - ETF assets under management totalled \$3.3 billion at September 30, 2020, up from \$2.2 billion at September 30, 2019. ETF assets under management inclusive of IGM mutual funds were \$7.5 billion at September 30, 2020, compared to \$4.1 billion at September 30, 2019.

STRATEGIC INVESTMENTS AND OTHER

Represents the key strategic investments made by the Company, including China Asset Management Co., Ltd., Great-West Lifeco Inc., Wealthsimple Financial Corporation, and Portag3 Ventures LPs, as well as unallocated capital.

Great-West Lifeco Inc. (Lifeco) – The Company’s proportionate share of Lifeco’s third quarter earnings was \$33.0 million, an increase of 29.4% from \$25.5 million in the third quarter of 2019

China Asset Management Co., Ltd. (China AMC) – The Company’s proportionate share of China AMC’s third quarter earnings was \$10.5 million, an increase of 36.4% from \$7.7 million in the third quarter of 2019

Investment in Wealthsimple – Wealthsimple’s recent announcement of an equity financing round of \$114 million increased the Company’s fair value of its investment by \$298 million to \$550 million

Sale of Personal Capital - The Company sold its investment in Personal Capital Corporation in the third quarter for proceeds of \$232.8 million for an accounting pre-tax gain of \$37.2 million and an economic gain of \$43.7 million.

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 January 29, 2021 to shareholders of record on December 31, 2020.

¹ Other items for the three and nine months ended September 30, 2020 consisted of:

- A gain on the sale of the investment in Personal Capital Corporation of \$31.4 million after-tax (\$37.2 million pre-tax).
- Restructuring and other charges of \$54.7 million after-tax (\$74.5 million pre-tax) resulting from our ongoing multi-year transformation initiatives and efforts to enhance our operational effectiveness and also from the acquisition of GLC Asset Management Group Ltd. and other changes to our investment management teams.

Other items for the nine 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.

² 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 \$290 million for the third quarter and sales of \$772 million and net sales of \$580 million for the nine 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.

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.

THIRD QUARTER WEBCAST AND CONFERENCE CALL

IGM Financial Inc.’s Third Quarter 2020 results conference call and webcast will be held on Friday, November 6, 2020 at 8:00 a.m. ET. The webcast and conference call can be accessed respectively through www.igmfinancial.com or by phone at 1-800-319-4610 or 1-416-915-3239.

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.

ABOUT IGM FINANCIAL INC.

IGM Financial Inc. is one of Canada's leading diversified wealth and asset management companies with approximately \$193 billion in total assets under management and advisement at October 31, 2020. The company provides a broad range of financial planning and investment management 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.

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IGM FINANCIAL INC.**Consolidated Statements of Earnings**

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

Financial Highlights

(unaudited)	For the three months ended September 30			As at and for the nine months ended September 30		
	2020	2019	Change	2020	2019	Change
Net earnings available to common shareholders (\$ millions)						
Net Earnings	\$ 190.9	\$ 202.5	(5.7) %	\$ 535.3	\$ 555.1	(3.6) %
Adjusted Net Earnings ⁽¹⁾	214.2	202.5	5.8	558.6	563.1	(0.8)
Diluted earnings per share						
Net Earnings	0.80	0.85	(5.9)	2.25	2.32	(3.0)
Adjusted Net Earnings ⁽¹⁾	0.90	0.85	5.9	2.34	2.35	(0.4)
Return on equity						
Net Earnings				15.3%	16.8%	
Adjusted Net Earnings ⁽¹⁾				15.9%	17.0%	
Dividends per share	0.5625	0.5625	-	1.6875	1.6875	-
Total assets under management and advisement ⁽²⁾ (\$ millions)				\$ 196,420	\$ 185,149	6.1 %
Total assets under management ⁽²⁾				172,613	162,536	6.2
Wealth Management						
Assets under advisement ⁽²⁾				125,015	121,697	
IG Wealth Management						
Assets under management ⁽³⁾				92,874	90,779	
Other assets under advisement				4,664	3,750	
Assets under advisement				<u>97,538</u>	<u>94,529</u>	3.2
Investment Planning Counsel						
Assets under management ⁽³⁾				5,139	5,365	
Other assets under advisement				22,345	21,811	
Assets under advisement				<u>27,484</u>	<u>27,176</u>	1.1
Asset Management (Mackenzie Investments)						
Mutual funds				63,599	59,275	
ETFs ⁽⁴⁾				3,330	2,159	
Investment funds				66,929	61,434	
Institutional SMA				7,671	4,958	
Total excluding subadvisory to Wealth Management				74,600	66,392	
Sub-advisory to Wealth Management				72,660	72,565	
Total assets under management				<u>147,260</u>	<u>138,957</u>	6.0
Net Flows						
(\$ millions)	Wealth Management		Asset Management	Intersegment		Total ⁽²⁾
	IG Wealth Management	Investment Planning Counsel	Mackenzie Investments	Eliminations		
For the three months ended September 30, 2020						
Mutual fund net sales ⁽³⁾	\$ (259)	\$ (77)	\$ 849	\$ -	\$ 513	
ETF net creations	-	-	97	-	97	
Investment fund net sales	(259)	(77)	946	-	610	
Institutional SMA net sales	-	-	(319)	-	(319)	
Managed asset net sales	(259)	(77)	627	-	291	
Other dealer net flows	250	(69)	-	(64)	117	
Total net flows	(9)	(146)	627	(64)	408	
For the nine months ended September 30, 2020						
Mutual fund net sales ⁽³⁾	\$ (442)	\$ (218)	\$ 1,580	\$ -	\$ 920	
ETF net creations	-	-	860	-	860	
Investment fund net sales	(442)	(218)	2,440	-	1,780	
Institutional SMA net sales	-	-	2,137	-	2,137	
Managed asset net sales	(442)	(218)	4,577	-	3,917	
Other dealer net flows	752	342	-	(133)	961	
Total net flows	310	124	4,577	(133)	4,878	

⁽¹⁾ Non-IFRS Financial Measures:

Adjusted net earnings for the nine months ended September 30, 2020 excluded:

- A gain on the sale of the investment in Personal Capital of \$31.4 million after-tax (\$37.2 million pre-tax).
- Restructuring and other charges of \$54.7 million after-tax (\$74.5 million pre-tax) resulting from our ongoing multi-year transformation initiatives and efforts to enhance our operational effectiveness and also from the acquisition of GLC Asset Management Group Ltd. and other changes to our investment management teams.

Adjusted net earnings for the nine months ended September 30, 2019 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.

⁽²⁾ Consolidated results eliminate double counting where business is reflected within multiple segments.

⁽³⁾ Includes separately managed accounts.

⁽⁴⁾ Total ETFs in the Asset Management section including ETFs held within IGM investment funds were \$7.5 billion at September 30, 2020 compared to \$4.1 billion at September 30, 2019.